



## **CABINET**

**IMMEDIATELY FOLLOWING CABINET SCRUTINY COMMITTEE  
WEDNESDAY , 8<sup>th</sup> May 2024**

**MULTI-LOCATION MEETING – COUNCIL CHAMBER PORT TALBOT  
AND MICROSOFT TEAMS**

**ALL MOBILE TELEPHONES TO BE SWITCHED TO SILENT FOR THE  
DURATION OF THE MEETING**

### **Webcasting/Hybrid Meetings:**

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### **Part 1**

1. Appointment of Chairperson
2. Chairpersons Announcement/s
3. Declarations of Interest
4. Minutes of Previous Meeting (*Pages 3 - 6*)
5. Public Question Time  
Questions must be submitted in writing to Democratic Services, [democratic.services@npt.gov.uk](mailto:democratic.services@npt.gov.uk) no later than noon two working days prior to the meeting. Questions must relate to items on the agenda. Questions will be dealt with in a 10 minute period.

**Matter/s for Decision:**

6. Pontardawe Swimming Pool (*Pages 7 - 36*)
7. Establishment of a Joint Committee with Pembrokeshire County Council in respect of Celtic Freeport (*Pages 37 - 88*)
8. Urgent Items  
Any urgent items (whether public or exempt) at the discretion of the Chairperson pursuant to Regulation 5(4)(b) of Statutory Instrument 2001 No. 2290 (as amended).

**K.Jones**  
**Chief Executive**

**Civic Centre**  
**Port Talbot**

**Wednesday, 1 May 2024**

**Cabinet Members:**

Councillors. S.K.Hunt, S.A.Knoyle, N.Jenkins, J.Hurley, S.Harris,  
J.Hale, A.Llewelyn, W.F.Griffiths, S.Jones and C.Phillips

## EXECUTIVE DECISION RECORD

### CABINET

17 APRIL 2024

#### **Cabinet Members:**

Councillors: S.K.Hunt (Chairperson), S.A.Knoyle, N.Jenkins, J.Hurley, S.Harris, J.Hale, A.Llewelyn, W.F.Griffiths and C.Phillips

#### **Officers in Attendance:**

K.Jones, N.Pearce, A.Jarrett, A.Thomas, N.Daniel, H.Jones, C.Griffiths, L.Willis, L.McAndrew, O.Gavigan, A.Thomas and T.Davies

**Scrutiny Chair:** Councillor P.Rogers

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#### 1. **APPOINTMENT OF CHAIRPERSON**

Agreed that Councillor S.K.Hunt be appointed Chairperson for the meeting.

#### 2. **CHAIRPERSONS ANNOUNCEMENT/S**

The Chair welcomed all to the meeting.

#### 3. **DECLARATIONS OF INTEREST**

No declarations of interest were received.

#### 4. **MINUTES OF PREVIOUS MEETINGS**

That the minutes of the previous meetings of Cabinet, held on the following dates, be agreed as an accurate record:

- 18 March 2024
- 27 March 2024

5. **PUBLIC QUESTION TIME**

No public questions were received.

6. **AUDIT WALES - SERVICE USER PERSPECTIVE**

The Chief Executive of Neath Port Talbot Council advised Members that there would be an opportunity for further training for Officers, on the Corporate Performance Management Framework.

**Decision:**

That the Council's response to the Audit Wales – Use of performance information: Service user perspective and outcomes, as detailed at appendix 1 to the circulated report, be approved.

**Reason for Decision:**

To enable the council to put in place the necessary arrangements to support the effective delivery of and accountability for its Well-being objectives.

**Implementation of Decision:**

The decision will be implemented after the three day call in period.

7. **URGENT ITEMS**

No urgent items were received.

8. **ACCESS TO MEETINGS - EXCLUSION OF THE PUBLIC**

**RESOLVED:**

That pursuant to Regulation 4 (3) and (5) of Statutory Instrument 2001 No 2290, the public be excluded for the following item of business which involved the likely disclosure of exempt information as defined in Paragraph 16 of Part 4

of Schedule 12A of the Local Government Act 1972.

9. **SWANSEA BAY CITY DEAL HOMES AS POWER STATIONS  
SUBSIDY SCHEME (EXEMPT UNDER PARAGRAPH 16)**

Cabinet were supportive of the recommendations of the earlier Scrutiny Committee, which are highlighted in **bold** below, within Decision 2:

**Decisions:**

1. That the establishment of the Swansea Bay City Deal “Homes as Power Stations” Financial Incentives Fund Subsidy Scheme by the Council for use by the Councils across the Swansea Bay City Deal Region, namely Neath Port Talbot County Borough Council, City and County of Swansea, Carmarthenshire County Council and Pembrokeshire County Council, in order to secure subsidy control compliance for grant award purposes, be approved.
2. That delegated authority be granted to the Head of Property and Regeneration, **in conjunction with the Leader of Neath Port Talbot Council**, to finalise the Swansea Bay City Deal “Homes as Power Stations” Financial Incentives Fund Subsidy Scheme conditions.
3. That delegated authority be granted to the Head of Property and Regeneration to authorise funding awarded by the Council under the subsidy scheme, and to enter into the associated funding agreements.

**Reason for Decisions:**

To enable Neath Port Talbot Council to award the Homes as Power Stations Financial Incentives Fund in compliance with the Subsidy Control Regime.

**Implementation of Decisions:**

The decisions will be implemented after the three day call in period.

**CHAIRPERSON**

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Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

**Cabinet**  
**8 May 2024**

### **Report of Director of Education, Leisure & Lifelong learning**

#### **Matter For Decision.**

#### **Wards Affected:**

Pontardawe, Trebanos, Alltwen, Rhos, Godre'r Graig, Cwmllynfell & Ystalyfera, Gwaen-Cae-Gurwen

#### **Report Title**

Pontardawe Swimming Pool

#### **Purpose of the Report:**

To provide an overview to members on the current condition of Pontardawe Swimming Pool and to agree the planned closure of the Pontardawe Swimming Pool facility at the end of August 2024.

To agree next steps, in terms of a feasibility report into a future facility mix, location and external funding options for a replacement pool.

#### **Executive summary:**

Pontardawe Swimming Pool is in a very poor state of repair and having had the life extended by emergency propping up works in 2022/23, further deterioration has taken place, and the building is now life expired.

To ensure public and staff safety a planned closure at the end of August 2024 is proposed, giving as much time as possible to complete the school year and summer programming and for changes to the Neath Leisure Centre programme to be made to accommodate displaced users at Pontardawe Swimming Pool.

It is recommended that funding be allocated for a feasibility study into the future mix of facilities, an appropriate location and potential external funding options, and that such a study is undertaken so the Council is well prepared to respond quickly to future grant funding opportunities.

## **Background:**

Pontardawe Swimming Pool is a standalone pool first opened in 1974. It is of single storey reinforced concrete construction and houses two reinforced concrete swimming pools, changing rooms, and a reception area. The basement area houses the pool plant equipment. The building envelope is a mix of metal sheet steel cladding, glazing and brick construction. The facility has a 6 lane, 25m main pool and a 12m x 7m learner pool. The main pool is built to competition specification and has spectator seating.

The Council has freehold ownership of Pontardawe Swimming Pool with Celtic Leisure operating the facility pursuant to a contract and lease, along with three other public pools at Aberavon Leisure Centre, Neath Leisure Centre and Vale of Neath Leisure Centre.

In August 2022, the Council appointed ARUP to undertake a review of Pontardawe Swimming Pool and advise on the future longevity of the structural frame. The final report was issued in November 2022 and was very clear that even with urgent remedial works and the propping scheme, the building life would only be extended by a period of up to two years.

In 2022/23 a significant propping up scheme was implemented in the basement areas to bring the building back into safe public use for a temporary period. Regular inspections continue to monitor the condition very closely.

However, in January 2024 further spoiling of the reinforced concrete was noted and precautionary measures were implemented to ensure the safety of the staff entering the basement area.

With the building condition continuing to decline and a two-year timescale advised by ARUP in November 2022, a full closure at the end of August 2024 is recommended. A planned closure at the end of August 2024 will allow enough time to redeploy staff and communicate with the various user groups, making alternative arrangements wherever possible. However, with ongoing regular inspections, it is still possible there will need to be an urgent closure and this will be kept under close review during the next few months.

Repairing the existing building will be economically unviable, because of depth of the chloride contamination in the concrete. Additionally, the propping works that took place to extend the building life in 22/23 cannot be removed safely to enable access and therefore there is no other viable option than to demolish the building. The mechanical and electrical services throughout the facility have also reached end of life.

## Replacement Facility

The next steps would be to agree a feasibility study on a future site and potential funding for a replacement facility. The feasibility study would look at all potential options with



technical and architectural input, financial modelling, and a business plan. It would also seek to identify funding options and would cost in the region of £30k. At this early stage it is estimated the cost of a new facility would be in the region of £10-12m, but no funding is currently identified. The feasibility study will investigate funding options.

### Demolition

Given the building is life expired, once the pool is closed it will be necessary to secure the property and then demolish it. Clearly by demolishing the building as soon as possible after the facility closure the risk to the public and staff is removed, and ongoing management costs would be avoided. Demolition is estimated to be circa £500k and a further £50k for boarding up and preventing access. Ongoing costs of managing the site will be in the region of £25k per year if demolition is not commenced.

### Programming

The pool currently caters for the following on a weekly basis:

- Swimming lessons for ten local schools,
- Circa 715 children attending public swimming lessons,
- 15.5 hours weekly for the swimming club,
- 4 hours per week of Hydrotherapy,
- Aqua aerobics classes,
- Approx. 43 hours per week of casual / lane swimming,
- Private club & party bookings.

The majority of swimming lessons, and club use can be accommodated at Neath Leisure centre, albeit at different times to the current arrangements.

Some of the current Pontardawe Swimming Pool school usage can be accommodated at Neath Leisure Centre, but not all and alternative provision would need to be negotiated with the nearest out of area facility to enable continued operation. It should also be noted that by Neath Leisure Centre accommodating more displaced swimming from Pontardawe Swimming Pool the public swimming time will be reduced.

It is anticipated some of the users will move to alternative leisure sites at Ystradgynlais and Morriston and discussions will commence with neighbouring authorities as part of the planning arrangements.

### Further Discussions

Subject to approval of this report, officers will commence discussions with the clubs and other users to ensure as smooth a transition as possible. Further dialogue will also take place with Pontardawe Town Council and communications will be prepared to ensure local residents are clear about the reasons for closure.

Communications

A detailed communications plan is in place to ensure facility users and local stakeholders are kept up to date with the proposed changes and the options they will have.

**Financial Impacts:**

The current subsidy for the Pontardawe Pool is £389k per year and is broken down as follows:

<b>Pontardawe Swimming Pool 23/24 Forecast</b>	
	£000
Income	384
Total Employee Costs	-451
Total Premises Costs	-299
Total Supplies & Services	-11
Total Support Services	-12
Period Surplus/(Deficit)	-389

It is anticipated some of the income and employee costs will be transferred to other sites while the premises, support and supplies costs will largely be saved.

However, whilst capacity can be provided at Neath Leisure Centre to accommodate much of the current programme we would anticipate a reduced demand, mainly because of the travel time and therefore a sensitivity allowance will need to be factored into the income models. A detailed financial model now needs to be completed to identify the costs and savings for the closure and whether this will result in a reduced subsidy being provided by the Council.

Demolition is estimated to be in the region of circa £500k and boarding up and making safe in region of £50k. These costs will need to be funded over two financial years from the premises costs savings arising as a result of the closure of the facility. Should the building not be demolished the ongoing management costs of security, insurance and utilities would be in the region of £25k per year which would need to be funded from ongoing revenue.

The feasibility costs of approximately £30k would be incorporated into the revenue budget model being prepared to identify the costs and savings for the closure. It is anticipated a new swimming pool facility of similar size to the current facility would cost between £10m & £12m.

There is no allowance within the medium-term financial plan, or any identified third-party funding or grants. Preliminary discussions have taken place with representatives from Welsh Government about a potential grant funding contribution and these will be taken forward when the 'Place Plan' for Pontardawe town centre is brought forward later this year. The feasibility study will enable any future scheme to be developed in order to respond quickly to any future funding streams from either Welsh or UK Governments. In the meantime, officers will continue to engage with relevant stakeholders to identify appropriate capital funding as and when opportunities arise.

Celtic Leisure are currently contracted to manage the Pontardawe Swimming Pool and it is anticipated the management of the building will remain with them for the short term prior to demolition, to ensure the benefit of business rate relief is maximised.

#### **Integrated Impact Assessment:**

An integrated Impact Assessment (IIA) has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (no1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. This is attached as Appendix A to this report.

The IIA concludes that the proposal to close Pontardawe Swimming pool could adversely affect the long-term health opportunities for local residents in the Swansea Valley.

The IIA has also identified negative impacts on age and sex with older users more prevalent and a ratio of approximately 2:1 female to male users across most age ranges.

Alternative arrangements will be made for the majority of the users at Neath Leisure Centre but this will create extra travel time for some and may be less attractive. However over 30% of users are travelling past other pools to access Pontardawe currently so it may actually result in a reduction in travelling for some.

There is the opportunity to seek a new facility that meets modern user needs, be energy efficient and incorporate health and wellbeing / community needs.

**Valleys Communities Impacts:**

The closure of the pool will negatively impact the local population, particularly in terms of health and wellbeing. Whilst alternative arrangements will be made at other pools to accommodate the users it will be further to travel and therefore harder to access for some local residents.

**Workforce Impacts:**

Celtic Leisure are carrying a number of vacancies across all their sites, and it is anticipated that staff will be redeployed, avoiding compulsory redundancies wherever possible.

**Legal Impacts:**

The responsibility for maintenance of the pool structures is set out in the lease between the Council and Celtic Leisure dated 14<sup>th</sup> April 2016 and the decision to address the health and safety matters analysed in the ARUP report is a matter for determination between the Council and Celtic Leisure jointly in order that statutory duties under the Health and Safety Act 1974 may be fulfilled.

Responsibility for meeting the costs of any maintenance works that have been undertaken fall to the Council under the terms of the aforesaid lease.

**Risk Management Impacts:**

There are several risks relating to this decision, most notable public safety and ensuring health and safety legal obligations are met. A planned closure is only possible if the structure does not deteriorate further in the meantime. If that happens officers will have no other option but to close the site immediately. Beyond the public safety concerns there are a number of risks including public health outcomes for local residents and financial pressure for the Council. These are all outlined elsewhere in this report and in the integrated impact assessment.

**Consultation:**

This decision must be taken on the grounds of public safety. Extended engagement with existing service users will take place as part of the process to accommodate as much as possible at other NPT sites. Celtic Leisure are aware of the potential closure and will be instrumental in managing the staff communications and programming changes at Neath Leisure Centre.

## **Recommendations:**

It is recommended that having due regard to the integrated impact assessment that members:

- Note the current status of Pontardawe Swimming Pool and the reasoning for action to be taken on the grounds of health and safety obligations on the part of the Council;
- Approve a planned closure of the Pontardawe Swimming Pool by the end of August 2024 subject to any closure that is required in the shorter term to meet health and safety obligations;
- Grant delegated authority to the Head of Leisure, Tourism, Heritage and Culture, in consultation with the Cabinet Member for Nature, Tourism & Wellbeing to embark on a programme of engagement with service users and neighbouring authorities to explore avenues of supporting ongoing access to swimming facilities;
- Grant delegated authority to the Head of Leisure, Tourism, Heritage and Culture in consultation with the Cabinet Member for Nature, Tourism & Wellbeing to commission a feasibility study to investigate options for a future site and potential funding for a replacement facility;
- Grant delegated authority to the Director of Environment and Regeneration in consultation with the Cabinet Member for Nature, Tourism & Wellbeing to undertake the demolition of the Pontardawe Swimming Pool;
- Utilise the projected savings arising from the closure of the facility, over a two year period, to fund the recommendations included within this proposal.

## **Reasons for Proposed Decision:**

To ensure compliance with health and safety obligations associated with the users and staff at Pontardawe Swimming Pool, to agree arrangements for the commissioning of a feasibility study for a replacement facility and to seek approval for the demolition of Pontardawe Swimming Pool.

## **Implementation of Decision:**

This decision will be implemented following the conclusion of the three-day call in.

## **Appendices**

Appendix A - IIA

**List of Background Papers:**

Report and associated documents from Cabinet meeting on 30 November 2022  
[Agenda for Cabinet on Wednesday, 30th November, 2022, 2.01 pm: NPT CBC](#)

**Officer Contact:**

Andrew Thomas, Director of Education, Leisure & Lifelong Learning.  
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Chris Saunders, Head of Leisure, Tourism, Heritage & Culture  
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## Integrated Impact Assessment (IIA)

This Integrated Impact Assessment considers the duties and requirements of the following legislation in order to inform and ensure effective decision making and compliance:

- Equality Act 2010
- Welsh Language Standards (No.1) Regulations 2015
- Well-being of Future Generations (Wales) Act 2015
- Environment (Wales) Act 2016

### Version Control

Version	Author	Job title	Date
V3	Chris Saunders	Head of Leisure, Tourism, Culture	26/04/2024

### 1. Details of the initiative

	<b>Title of the Initiative:</b> Pontardawe Swimming Pool closure
<b>1a</b>	<b>Service Area:</b> Leisure Tourism, Heritage and Culture
<b>1b</b>	<b>Directorate:</b> Director of Education, Leisure & Lifelong learning
<b>1c</b>	<b>Summary of the initiative:</b> To agree the planned closure of Pontardawe Swimming Pool (PSP) at the end of August 2024 to ensure the public and staff safety and to agree the demolition of the facility.  PSP is in a very poor state of repair (built in 1974) and having had the life extended by emergency propping up works in 2022/23, further deterioration has taken place, and the building is now life expired. It is possible that an urgent closure may be required should inspections identify further deterioration.

	<p>To ensure public and staff safety a planned closure at the end of August 2024 is proposed, giving as much time as possible to redeploy staff, communicate with user groups, complete the school year and summer programming and for changes to the Neath Leisure Centre programme to be made to accommodate displaced users from PSP.</p> <p>The cost to demolish PSP is estimated to be in the region of £500k and boarding up and making safe in region of £50k, both to be funded via the revenue budget. Should the building not be demolished the ongoing management costs of security, insurance and utilities would be in the region of £25k per year which would also need to be funded from ongoing revenue budgets.</p> <p>To agree to undertake a feasibility study for the potential replacement of the swimming pool on a future site and potential funding for a replacement facility. The feasibility study would look at all potential options with technical and architectural input, financial modelling and a business plan. It would also seek to identify funding options and would cost in the region of £30k. At this early stage it is estimated the cost of a new facility would be in the region of £10-12m, but no funding is currently identified, the feasibility study will investigate any funding options. This would be incorporated into the revenue budget model being prepared to identify the costs and savings for the closure.</p>
<b>1d</b>	<b>Is this a 'strategic decision'?</b> Yes
<b>1e</b>	<p><b>Who will be directly affected by this initiative?</b></p> <p>Celtic Leisure Ltd – staff will be required to be re-deployed to other Celtic Leisure sites.</p> <p>Current users of the PSP swimming pool.</p> <p>An analysis of the current users identified that the those impacted the most are primarily women and children and those with health challenges, older residents and those with no access to personal transport.</p> <p>The PSP membership review identified that the facility reaches beyond the NPTCBC boundary and into neighbouring authorities, especially the north-east of Swansea.</p> <p>Demand will primarily be displaced to Neath Leisure Centre which will impact on users and programmes and that Neath Leisure Centre cannot fully accommodate all the demand. Given this, it is likely that some users of Neath Leisure Centre will need to be displaced to Aberavon LC which will potentially impact on programmes and users at Aberavon LC.</p> <p>Membership analysis shows that some people are prepared to travel beyond the 20-minute drive time catchment to use PSP and those people are not just travelling for swimming club and swimming lessons. It is a well-used community resource, and, in some instances, people are travelling past their nearest pool to access PSP.</p>



	<p>PSP is a resource for children to learn to swim (a life skill) and given that NPTCBC is a coastal location, it is imperative that young people and residents have the facilities to learn.</p> <p>Swimming and water activity can be undertaken throughout the full age profile (cradle to grave) and is an important activity for those with physical and learning disabilities. There will be a reduction in hydrotherapy bookings and casual swimming time available in the area.</p> <p>The closure of the pool will have an impact on schools: travel to neighbouring pools may result in higher transport costs and increased time away from the classroom. This may negatively impact on the perceived value of swimming given the impact on time away from school.</p> <p>The closure of PSP has the potential to result in a decline in the health and wellbeing of Swansea Valley residents, especially if a proportion of resident's cease participating in swimming.</p> <p>However, it is proposed to undertake a feasibility study for the potential replacement of the swimming pool on a future site and potential funding for a replacement facility. The feasibility study would look at all potential options with technical and architectural input, financial modelling and a business plan.</p>
1f	<p><b>When and how were people consulted?</b></p> <p>Given this is a decision to ensure users and the staff are kept safe there has been no direct public consultation, although the public is fully aware of the challenges faced at PSP given the closure of the pool in November 2022 due to structural defects.</p> <p>In November 2022 the Council made the decision to undertake temporary works to keep the facility open for a fixed period of time. It was anticipated that the remedial work would be sufficient to extend the operating life of the facility for a two-year period.</p> <p>In January 2023 – the swimming pool re-opened after temporary repairs (£141k). It was communicated publicly and the associated Arup report as clear that the works were for a maximum period of two years and that on-going checks may result in an earlier than planned closure.</p> <p>Recent inspections have indicated that there is further deterioration of the building to the extent that it requires closure of the facility.</p> <p>Subject to approval of this report, officers will commence discussions with the clubs and other users of the facility to ensure smooth transition to alternative facilities.</p> <p>Further dialogue will also take place with Pontardawe Town Council and communications will be prepared to ensure local residents are clear about the reasons for closure. It is likely that the community views this as a loss of a local asset and will want to know about and understand proposals for a potential replacement facility.</p>

	<p>There will also be a need for Celtic Leisure to realign the programming of both Aberavon and Neath leisure centres to enable Neath LC to accommodate displaced demand from PSP. A key example of this is that some school and club use at Neath LC could be moved to Aberavon LC to accommodate increased demand.</p> <p>Celtic Leisure will also need to commence consultation with its staff team at PSP to discuss their relocation...</p> <p>There is strong local support for the replacement of PSP, a change.org petition was raised in November 2023 and to date, 2,410 have signed the petition (as of 22/4/2024). <a href="https://www.change.org/p/secure-a-new-swimming-pool-for-pontardawe">https://www.change.org/p/secure-a-new-swimming-pool-for-pontardawe</a> This is likely to increase once the permanent closure is communicated.</p>
<p><b>1g</b></p>	<p><b>What were the outcomes of the consultation?</b></p> <p>The closure for temporary works (November 2022) was necessary for safety reasons and it was communicated publicly that this would extend the life of the pool by a maximum of two years. Given recent technical inspections of the facility, the time has come to implement a permanent closure due to the deteriorating structure.</p>

**2. Evidence**

<p><b>What evidence was used in assessing the initiative?</b></p>	
	<p>In August 2022, the Council appointed Arup to undertake a review of PSP and advise on the future longevity of the structural frame. The final report was issued in November 2022 and was very clear that even with urgent remedial works and the propping scheme, the building life would only be extended by a period of up to two years. If the facility was propped, this meant that the only solution was demolition because the props cannot be removed to undertake refurbishment works.</p> <p>In 2022/23 a significant propping up scheme was implemented in the basement areas to bring the building back into safe public use for a temporary period. Regular inspections continue to monitor the condition very closely.</p> <p>However, in January 2024 further spoiling of the reinforced concrete was noted and precautionary measures were implemented to ensure the safety of the staff entering the basement area.</p> <p>With the building condition continuing to decline and a two-year timescale advised by Arup in November 2022, a full closure at the end of August 2024 is recommended. A planned closure at the end of August 2024 will allow enough time to redeploy staff and communicate with the various user groups, making alternative arrangements wherever possible. However, with ongoing</p>

regular inspections, it is still possible there will need to be an urgent closure and this will be kept under close review during the course of the next few months.

Repairing the existing building will be economically unviable, because of depth of the chloride contamination in the concrete. Additionally, the propping works that took place to extend the building life in 22/23 cannot be removed safely to enable access to undertake refurbishment works and therefore there is no other option than to demolish the building. In addition, the mechanical and electrical services throughout the facility have also reached end of life.

A review of the pool use was undertaken with the following parameters:

- A supply and high-level desk-based needs assessment for Pontardawe Swimming Pool (PSP) and across Neath Port Talbot County Borough (NPTCBC) area.
- To understand the catchment for existing users of the facilities.
- To understand the impact and loss of the Pontardawe Swimming Pool.
- To understand any displacement and mitigation opportunities there are within nearby facilities in the event of a forced closure to minimise impact to the community.
- To determine if there is a need to replace the pool.

This review identified the need to replace PSP on the basis that:

- Neath Port Talbot is a coastal location, the need to be able to swim as a life skill is imperative.
- There is a strong local support for the swimming pool.
- Swimming and water activity can be undertaken throughout the full age profile (cradle to grave) and is an important activity for those with physical and learning disabilities.
- The closure of the pool has an impact on local schools; travel to neighbouring pools will result in higher transport costs and increased time out of the classroom. This will negatively impact on time spent in the classroom.
- There is a need to replace the PSP with a modern, fit for purpose facility. However, there is not a need for a like for like replacement, including the performance requirements.
- The replacement swimming pool needs to meet the current and future needs of Pontardawe and the surrounding areas and does not need to be specified to competition standard.
- There is a need to ensure the future provision is viable and sustainable in the longer term, with a range of other facilities to help off-set the cost of the pool operation.

The conclusions are:

- There is an identified need to replace PSP.

- There is an identified need to increase the health and wellbeing of the general population and to meet modern user demands.
- There is a need to create an offer which can accommodate health and wellbeing activity, as well as swimming lessons for schools and children.
- Not investing in the future leisure provision in the area has the potential to result in a decline in the health and wellbeing of Swansea Valley residents.
- The location of a new swimming pool needs to be considered to ensure it is both viable and accessible.
- Although Neath LC will be able to accommodate some of the displaced demand from PSP it is likely only to be relevant for those residents with access to personal transport.
- The next steps are a feasibility report into the replacement swimming pool in Pontardawe. This should include consultation with national governing bodies of sport, the users of PSP and the general public to ascertain the needs and demands for a new replacement facility.
- Given the level of usage from Swansea residents, NPTCBC should ensure that any future reprovision is recognised as a cross boundary facility and any funding bids for financial support should recognise this.
- Should the opportunity arise, NPTCBC could consider this as a potential project for future rounds of LUF funding given the strategic planning and cross boundary evidence that this project provides.

### 3. Equalities

a) How does the initiative impact on people who share a **protected characteristic**?

Protected Characteristic	+	-	+/-	Why will it have this impact?
Age		✓		Usage analysis identified that the general membership (not inc swimming club and academy) is from high proportion of people over 66. There was also a higher than average number of members in the 31-35, 35-40 and 41-45 age range. The swim academy is dominated by the younger age groups peaking at 5-9 years old. Whilst the swimming club is mainly in the age ranges 9-13 years old. These users may have to travel further to access alternative sessions
Disability		✓		All users will be affected by the closure of the swimming pool. Usage analysis identified the facility closure will reduce the opportunities available for people with disabilities. (Specifically, the reduction in hydro sessions). These users may have to travel further to access alternative provision.
Gender reassignment		✓		All users will be affected by the closure of the swimming pool. These users may have to travel further to access alternative provision.
Marriage & civil partnership		✓		All users will be affected by the closure of the swimming pool. These users may have to travel further to access alternative provision.
Pregnancy and maternity		✓		All users will be affected by the closure of the swimming pool. Reduction in opportunities for mothers and babies (baby dolphin sessions). These users may have to travel further to access alternative provision..
Race		✓		All users will be affected by the closure of the swimming pool. These users may have to travel further to access alternative provision..
Religion or belief		✓		All users will be affected by the closure of the swimming pool. These users may have to travel further to access alternative provision.
Sex		✓		All users will be affected by the closure of the swimming pool, although females are the highest number of users and therefore will be affected more. In the swimming club female usage is double that of males. The swimming lessons is more balanced

			but females are still the biggest users. For the membership (ex club and lessons) usage numbers are more balanced through adulthood where female usage once again significantly outweighs that of males. These users may have to travel further to access alternative provision.
Sexual orientation		✓	All users will be affected by the closure of the swimming pool. These users may have to travel further to access alternative provision.

**What action will be taken to improve positive or mitigate negative impacts?**

The programme at Neath Leisure Centre will be reviewed and increased sessions made available where possible. There is some spare capacity in the swim academy and other sessions at Neath LC to pick up the additional users however, this not infinite.

b) How will the initiative assist or inhibit the ability to meet the **Public Sector Equality Duty**?

<b>Public Sector Equality Duty (PSED)</b>	<b>+</b>	<b>-</b>	<b>+/-</b>	<b>Why will it have this impact?</b>
To eliminate discrimination, harassment and victimisation			✓	All users will be affected by the closure of the swimming pool. However, this is unlikely to impact on discrimination, & harassment. The public facility will be closed reducing opportunity for community cohesion.
To advance equality of opportunity between different groups		✓		All users will be affected by the closure of the swimming pool but given female usage is so prevalent there will be an impact.
To foster good relations between different groups			✓	All users will be affected by the closure of the swimming pool. However this is unlikely to affect this element.

**What action will be taken to improve positive or mitigate negative impacts?**

A feasibility study will be undertaken into the potential replacement of a swimming pool however, in the short term, the pool cannot be replaced and must close for health and safety reasons.

#### 4. Socio Economic Duty

Impact	Details of the impact/advantage/disadvantage
Positive/Advantage	<p>There are no direct financial savings aligned with making this decision as the current revenue budget will be used to manage and demolish the premises.</p> <p>A planned closure at the end of August will help to maximise the revenue and minimise the costs over the winter period.</p> <p>Over 35% of the pool users are travelling from outside NPT boundaries to access Pontardawe Pool and approximately 30% in total are travelling past other pools to get to there. Usage of more local pools might help reduce travelling time.</p>
Negative/Disadvantage	<p>Whilst capacity can be provided at Neath Leisure Centre to accommodate much of the current programme it is anticipated there will be reduced demand, mainly because of the travel time and therefore a sensitivity allowance will need to be factored into the income models.</p> <p>A detailed financial model needs to be completed to identify the costs and savings for the closure and whether this will result in a reduced subsidy being provided by the Council.</p> <p>Demolition is estimated to be in the region of circa £500k and boarding up and making safe in region of £50k, funded by the current revenue budget. Should the building not be demolished the ongoing management costs of security, insurance and utilities would be in the region of £25k per year which would need to be funded from ongoing revenue budgets.</p> <p>The feasibility costs of approximately £30k would be incorporated into the revenue budget model being prepared to identify the costs and savings for the closure. It is anticipated a new swimming pool facility of similar size to the current facility would cost between £10m &amp; £12m.</p> <p>There is no allowance within the medium-term financial plan, or any identified third-party funding or grants. However, officers will continue to engage with relevant stakeholders to identify appropriate capital funding as and when opportunities arise.</p>
Neutral	<p>It is anticipated some of the income and most of the employees will be transferred to other sites.</p> <p>Celtic Leisure is currently contracted to manage the Pontardawe Swimming Pool and it is anticipated the management of the building will remain with them for the short term prior to demolition, to ensure the benefit of business rate relief is maximised</p>





### What action will be taken to reduce inequality of outcome

A feasibility study needs to be commissioned to determine what a future facility needs to incorporate (health and wellbeing / community facilities) to understand the capital and revenue business plans and review funding opportunities.

This will enable the Council to have a clear understanding of what is required should any funds become available and be able to respond swiftly to any funding opportunities.

Every effort will be made to ensure appropriate programming at other sites to accommodate the displaced users.

### 5. Community Cohesion/Social Exclusion/Poverty

	+	-	+/-	Why will it have this impact?
Community Cohesion		✓		Closure of a well-used public facility
Social Exclusion		✓		Reduced opportunity for people without personal transport and those with health inequalities.
Poverty		✓		Potentially increased costs to participate for those residents that will be required to travel outside the local community to access alternative provision.

### What action will be taken to improve positive or mitigate negative impacts?

Neath Leisure Centre will undergo a programme review to absorb as much demand as possible from PSP. This includes extending hours of operation to increase capacity. A feasibility study will be undertaken to look at the possibility of a replacement facility.

## 6. Welsh

	+	-	+/-	Why will it have this effect?
What effect does the initiative have on: - people's opportunities to use the Welsh language			✓	The proposal has no impact on the ability to restrict people's opportunities to use the Welsh language.
- treating the Welsh and English languages equally			✓	At no time will the Council or Celtic Leisure be treating the Welsh language no less favourable than English.

### What action will be taken to improve positive or mitigate negative impacts?

The decision to close the swimming pool will be communicated via the Council in both English and Welsh.

## 7. Biodiversity

How will the initiative assist or inhibit the ability to meet the **Biodiversity Duty**?

Biodiversity Duty	+	-	+/-	Why will it have this impact?
To maintain and enhance biodiversity	✓			<p><b>Reduced chemical use:</b> Closure of the pool eliminates the need for chlorine and other chemicals used to treat the water.</p> <p><b>Water conservation:</b> Swimming pools use significant amounts of water to fill and maintain levels. Closing the pool would reduce pressure on local water resources which could benefit aquatic ecosystems.</p> <p>The closure of the swimming pool will reduce the Council's energy consumption and carbon emissions (gas and electricity). Even if the swimming pool is replaced like for like, with the modern construction and technologies, there would be a reduction in energy consumption overall.</p> <p><b>Travel:</b></p> <p>With approximately 30% of Pontardawe pool users travelling past other pools there is an opportunity to reduce travelling times and associated carbon emissions.</p>
To promote the resilience of ecosystems, i.e. supporting protection of the wider environment, such as air quality, flood alleviation, etc.	✓			<p>Potential for land restoration if the site is filled in and revegetated, it could create a new habitat for native plants and animals that were displaced when the pool was built.</p>

### What action will be taken to improve positive or mitigate negative impacts?

The closure and demolition of Pontardawe Swimming Pool will improve the biodiversity in the area.



## 8. Well-being of Future Generations

How have the five ways of working been applied in the development of the initiative?

Ways of Working	Details
<p>i. <b>Long term</b> – looking at least 10 years (and up to 25 years) ahead</p>	<p>The pool building is in a poor state structurally. Repair is not viable and the only option is closure and demolition for health and safety reasons.</p> <p>The closure of the swimming pool may result in a potential decline in the health and wellbeing of residents in the Swansea Valley.</p> <p>The next steps would be to agree a feasibility study on a future site and potential funding for a replacement facility.</p> <p>A new facility will be designed to meet modern user requirements and utilise modern day technologies to be efficient and forward looking to future.</p> <p>A new swimming pool building would have a lifespan of c.40 years.</p>
<p>ii. <b>Prevention</b> – preventing problems occurring or getting worse</p>	<p>Given the building is life expired, once the pool is closed it will be necessary to secure the property and then demolish it. By demolishing the building as soon as possible after the facility closure the risk to the public and staff is removed.</p> <p>To address the long-term decline in the health and wellbeing of Pontardawe residents and the loss of a life skill to a coastal area, a replacement swimming pool is required (not necessarily like for like).</p>
<p>iii. <b>Collaboration</b> – working with other services internal or external</p>	<p>There will be a need to co-ordinate across NPTCBC officers, Celtic Leisure and neighbouring authorities.</p> <p>It is anticipated some of the users will move to alternative leisure sites out of the NPTCBC area (e.g. to Ystradgynlais LC and Morrision LC). Discussions will commence with neighbouring authorities as part of the planning arrangements.</p>

	<p>Given the level of usage from Swansea residents, NPTCBC should ensure that any future re-provision is recognised as a cross boundary facility and any funding bids for financial support should recognise this.</p> <p>Should the opportunity arise, NPTCBC could consider this as a potential project for future UK or Welsh government funding given the strategic planning and cross boundary evidence that this project provides.</p>
iv. <b>Involvement</b> – involving people, ensuring they reflect the diversity of the population	<p>This decision is made on the grounds of Health and Safety and therefore no consultation has taken place.</p> <p>The feasibility study will be influenced by:</p> <ul style="list-style-type: none"> <li>• NPTCBC officers,</li> <li>• Celtic Leisure staff</li> <li>• Key stakeholders – e.g. Sport Wales, Swim Wales</li> <li>• PSP user groups</li> <li>• Other strategic stakeholders (health and wellbeing, community, Council Members etc).</li> </ul>
v. <b>Integration</b> – making connections to maximise contribution to:	<p>There will be a need to decant members and users from Pontardawe Swimming Pool to the Neath Leisure Centre.</p> <p>A transition plan will be devised as to what changes will need to be made and when, to ensure as smooth a transition as possible and that staff and PSP members are integrated and feel welcomed.</p>
<b>Council’s well-being objectives</b>	<p>Well-being Objective 1 – <b>All children have the best start in life</b> – The closure of the swimming pool will reduce children’s opportunity to participate in swimming activity at Pontardawe Swimming Pool. There will be reduced opportunity for residents in the Swansea Valley to access swimming lessons and learn a life skill. There may be an increase in waiting time to access swimming lessons outside of the school swimming programme due to the level of demand and availability of programme time at Neath LC.</p> <p>There may also be increased travel resulting in a reduction in time in the classroom which may result in some schools re-considering whether to provide swimming lessons as part of the curriculum.</p>

	<p>Well-being Objective 2 – <b>All our communities will be thriving and sustainable</b> – this proposal will reduce opportunity for the community to access a public facility in the local area. It will, however, reduce costs to the Council as the swimming pool required financial support.</p> <p>Well-being Objective 3 – <b>Our local environment, culture and heritage can be enjoyed by future generations</b> – The closure of PSP will result in a carbon emission reduction from the facility itself. In addition, there will be a further reduction to those people choosing to drive past their nearest pool to access PSP. However, the need for Pontardawe staff, residents and schools to increase travel and transport to access alternative provision may increase carbon emissions.</p> <p>Well-being Objective Aim 4 – <b>There are more green, secure and well-paid jobs and skills across the area are improved</b> – Celtic Leisure has identified that there will be no requirement for redundancies and that staff can be re-deployed into existing vacant roles. There will however be a need to re-locate staff to alternative sites within the portfolio.</p>
<p><b>Other public bodies objectives</b></p>	<p>Sport Wales</p> <ul style="list-style-type: none"> <li>• To create an active nation where, as many people as possible are inspired to be active through sport.</li> <li>• For everyone, from people who don't see themselves as sporty people to people who win medals.</li> <li>• For life and it responds to the needs of people at different stages of their life.</li> <li>• Focuses on creating a wide range of positive experiences so everyone can enjoy sport.</li> </ul> <p>Swim Wales Strategy 2023 (currently being updated) By 2026 aquatics in Wales will offer a true active journey for life., with an offer for all communities supported at every life stage and every life age, to be the activity or sport of choice for everyone, for years to come.</p>



## 9. Monitoring Arrangements

Provide information on the monitoring arrangements to:

Monitor the impact of the initiative on Equalities, Community Cohesion, the Welsh Measure, Biodiversity Duty and the Wellbeing Objectives.

NPTCBC to communicate the intended closure date of PSP stating there may be a requirement to close sooner subject to building inspections. The rationale for closure will be communicated to the public. Plans to undertake a feasibility study to be shared with an emphasis that there are currently no capital funds set aside for the replacement.

Celtic Leisure will embark on a campaign to notify individuals of alternative facilities that will be available.

There are no council workforce impacts associated with this report. Celtic Leisure staff will be re-deployed to other leisure sites following the closure.

It is anticipated some of the users will move to alternative leisure sites at Ystradgynlais and Morrision and discussions will commence with neighbouring authorities as part of the potential replacement planning arrangements.

## 10. Assessment Conclusions

Please provide details of the conclusions reached in relation to each element of the assessment:

	Conclusion
<b>Equalities</b>	All users will be affected by the closure of the swimming pool. Main users impacted will be children, women and older people.
<b>Socio Economic Disadvantage</b>	There may be some overall savings by the closure of the pool in the medium term however, there is a need to allocate the existing budgets to demolishing the building and to the commissioning of a feasibility study.
<b>Community Cohesion/ Social Exclusion/Poverty</b>	For some residents the need to travel to access provision will exclude them from participating. Also, there will not be the capacity at Neath LC to accommodate all demand. Some children in the Swansea Valley may not be able to learn to swim.
<b>Welsh</b>	There is no impact on the Welsh language.
<b>Biodiversity</b>	The closure and demolition of Pontardawe Swimming Pool will improve the biodiversity in the area as a result of a reduction in water and utilities consumption.
<b>Well-being of Future Generations</b>	The closure and demolition of the pool negatively impacts residents. It presents opportunities to work with partners to understand what opportunities there may be for the replacement of the swimming pool (not necessarily like for like). There is the opportunity to seek a new facility that meets modern user needs, be energy efficient and incorporate health and wellbeing / community needs.

### Overall Conclusion

Please indicate the conclusion reached:

- **Continue** - as planned as no problems and all opportunities have been maximised
- **Make adjustments** - as potential problems/missed opportunities/negative impacts have been identified along with mitigating actions
- **Justification** - for continuing with the initiative even though there is a potential for negative impacts or missed opportunities

- **STOP** - redraft the initiative as actual or potential unlawful discrimination has been identified



Please provide details of the overall conclusion reached in relation to the initiative.

To ensure compliance with health and safety obligations associated with the users and staff at Pontardawe Swimming Pool, to agree for the closure of the facility at the end of August 2024 (an urgent closure may be required), to seek approval for the demolition of Pontardawe Swimming Pool and to make arrangements for the commissioning of a feasibility study for a replacement facility.



## 11. Actions

What actions are required in relation to obtaining further data/information, to reduce or remove negative impacts or improve positive impacts?

Action	Who will be responsible for seeing it is done?	When will it be done by?	How will we know we have achieved our objective?
Communicate the closure to Celtic Leisure Ltd	NPTCBC	Immediately	Informed
Communicate the closure (and reasons for the closure) to user groups.	NPTCBC / Celtic Leisure Ltd	Immediately	Informed
Communicate the closure and impact to neighbouring authorities where demand may be displaced.	NPTCBC	Immediately	Informed
Inform the public.	NPTCBC – public and press notification, Celtic Leisure to notify customers.	Immediately	Informed
Make arrangements for the deployment of staff.	Celtic Leisure Ltd	Immediately	Informed
Make arrangements for the decanting of PSP activity to Neath LC and Aberavon LC.	Celtic Leisure Ltd	1 month	Transition plan and actions developed

Make arrangements for the demolition of PSP	NPTCBC	August 2024	Demolition of the facility
Undertake a feasibility study into the potential replacement of the swimming pool. This will include potential site, business plan, capital costs and funding opportunities.	NPTCBC - Head of Leisure, Tourism, Heritage and Culture	April 2025	Full report

## 12. Sign off

	Name	Position	Signature	Date
<b>Completed by</b>	Chris Saunders	Head of Leisure, Tourism, Heritage and Culture		<b>30/04/2024</b>
<b>Signed off by</b>	Andrew Thomas	Director of Education, Leisure & Lifelong Learning		<b>30/04/2024</b>

## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

### Cabinet

8 May 2024

### Report of the Chief Executive – K.Jones

#### Matter for Decision

**Wards Affected:** All Wards

#### **Establishment of a Joint Committee with Pembrokeshire County Council in respect of Celtic Freeport**

#### **Purpose of the Report**

To seek authority for Neath Port Talbot County Borough Council (“the Council”) to enter into an agreement establishing a Joint Committee with Pembrokeshire County Council in respect of Celtic Freeport.

#### **Executive Summary**

A key principle of the Freeport programme is 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.

Investments will be identified via (a) an external call for proposals and (b) the generation by the local authorities and the Celtic Freeport Company of their own proposals. The purpose of (b) is to ensure that consideration is given to schemes that:

- enable the achievement of fair and equitable balance in the investment profile,
- could contribute to the Freeport’s objectives but have not necessarily been identified by external parties, and/or
- are designed to address funding gaps or ‘gear-in’ opportunities for further funding from other sources such as, but not limited to, Government grant programmes.

The promoters of potential schemes which are deemed eligible will be asked to develop a short-form business case which will include all the information needed to enable evaluation. Amongst the information required from project promoters, they will be required to demonstrate:

- any potential impact on people of protected characteristics, and if there are any, the associated mitigations,
- consistency with the requirements of the Well-being of Future Generations Act,
- the expected impact on carbon emissions and the contribution to the Freeport's objectives for supporting the transition to Net Zero, and
- how project promoters will comply with Fair Work practices.

Celtic Freeport Company will then make recommendations to a Joint Committee established by this Council and Pembrokeshire County Council.

The role of the Joint Committee will be to ensure proper democratic accountability for the allocation of public funds, including ensuring compliance with Subsidy Control regulations and value for money. The Joint Committee is proposed to be able to either approve or reject proposals from the Celtic Freeport Company, but not amend them. Funds will only be released if authorised by the Joint Committee. The Joint Committee will therefore provide the decision-making process for determining the schemes that the capacity funding, retained non domestic rates, seed capital funding and any additional funds made available to the Celtic Freeport should be reinvested into.

## **Background**

The Outline Business Case submitted prior to Christmas is currently being appraised by UK and Welsh Government and following a process of informal being undertaken, it is anticipated that the Outline Business Case will be approved in the Spring.

The Celtic Freeport is a partnership arrangement involving long term financial arrangements that accordingly needs strong governance.

The Welsh Government Freeport guidance identifies a number of requirements in relation to establishing a governance model. These include:

- A detailed statement of the long-term governance arrangements for the Freeport (including key governance documents), why these are appropriate, and how they will evolve over time as needed.
- A clear statement of any changes to the arrangements set out in the OBC.
- A clear and well justified schedule of delegation, allocating of accountability and delivery responsibility for each element of the Freeport proposal.
- Evidence of appropriate memberships for the governance body, subcommittees, and delivery teams, with clear and well justified roles and responsibilities for all key stakeholders (including private and public
- Evidence that the necessary expertise will be available to facilitate effective Freeport delivery, including how this will be recruited, developed, and, if appropriate, contracted.
- Clear timescales and processes for changes to governance and management arrangements, including recruitment and any plans for incorporation.

## Celtic Freeport

The Council and Pembrokeshire County Council have worked alongside Milford Haven Port Authority (“MHPA) and Associated British Ports (“ABP”), to develop a single Freeport bid that builds on collaboration through, for example, the Swansea Bay City Deal and the South-West Wales Corporate Joint Committee, and best harnesses the clear synergies and collaboration between the two ports, most notably in working together to deliver the significant opportunity of floating offshore wind in the Celtic Sea.

The Freeport represents a strategy to catalyse investment and development around the two ports, both of which are critical yet underutilised national assets. This development includes capital-intensive investments that are best placed to take advantage of the specific package of tax measures afforded by a Freeport, such as:

- the floating offshore wind (FLOW) manufacturing and lifecycle cluster that is central to ensuring UK content for the Government’s decarbonisation and energy security strategies, and which can only happen here,
- other zero-carbon industries (e.g. hydrogen),
- advanced manufacturing, and
- new innovative technologies (e.g. sustainable aviation fuel).

Subject to the development and approval of a business case, the Freeports will each receive up to £26 million of Government funding. This is on top of a range of measures, including locally retained business rates to upgrade local infrastructure and stimulate regeneration. Businesses locating in these Freeports will be able to take advantage of generous tax reliefs and a simplified customs procedure, as well as a package of trade and innovation support.

Freeport benefits, including the seed capital of £25million and the £1 million revenue contribution to the business case development will only be unlocked by presenting investment proposals to governments in line with HM Treasury Green book. Some benefits are unlocked at the OBC and the remainder at the Full Business Case stage (“FBC”).

## Creation of a Joint Committee

A key principle of the non domestic rate programme is 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.

Celtic Freeport Company will be responsible for developing and putting forward proposals for the allocation of non domestic rate revenue. The company governance structure proposed will provide for the Council’s nominee to be represented on the appropriate committees that will be considering these matters.

Investments will be identified via (a) an external call for proposals and (b) the generation by the local authorities and the Celtic Freeport Company of their own proposals. The purpose of (b) is to ensure that consideration is given to schemes that:

- enable the achievement of fair and equitable balance in the investment profile,
- could contribute to the Freeport's objectives but have not necessarily been identified by external parties, and/or
- are designed to address funding gaps or 'gear-in' opportunities for further funding from other sources such as, but not limited to, Government grant programmes.

The promoters of potential schemes which are deemed eligible will be asked to develop a short-form business case which will include all the information needed to enable evaluation. Amongst the information required from project promoters, they will be required to demonstrate:

- any potential impact on people of protected characteristics, and if there are any, the associated mitigations,
- consistency with the requirements of the Well-being of Future Generations Act,
- the expected impact on carbon emissions and the contribution to the Freeport's objectives for supporting the transition to Net Zero, and
- how project promoters will comply with Fair Work practices.

As public funding will be available to entities within the Celtic Freeport Economic Area. To obtain public funding businesses will need to submit an application to the Accountable Body (i.e. this Council) and demonstrate how their proposal furthers the Celtic Freeport Objectives. The Celtic Freeport Company shall decide whether to recommend an award of public funding to a business in accordance with the Investment Policy to the Councils.

To enable the discharge of this role of the Accountable Body, it is proposed that both this Council and Pembrokeshire County Council establish a Joint Committee to oversee the investment of public funding and to ensure the proper democratic allocation of public funding.

The role of the Joint Committee will be to ensure proper democratic accountability for the allocation of public funds, including ensuring compliance with Subsidy Control regulations and value for money. The Joint Committee is proposed to be able to either approve or reject proposals from the Board, but not amend them. Funds will only be released if authorised by the Joint Committee. The Joint Committee will therefore provide the decision-making process for determining the schemes that the retained business rates should be reinvested into.

In addition, successful Freeport designation will open up further funding. This includes £25 million of dedicated Freeport capital seed funding from UK and Welsh Government which will be used to enhance the pace of delivery across the Freeport, and to unlock further public and private sector investment. This will be mainly deployed across key sites for priorities that are primarily focused on transport access,



land remediation and enablement, and other key infrastructure projects. It is also envisaged that some of the seed capital funding is used for skills, innovation, and low carbon projects, which address Freeport related opportunities and challenges. This seed capital will also be considered by the proposed Joint Committee.

A copy of the proposed agreement establishing the Joint Committee is attached at Appendix 1.

The Joint Committee shall have the following functions:

- considering and reviewing business cases seeking financial support from public funding as recommended to the Joint Committee by the Celtic Freeport Company;
- approving project business cases eligible to receive funding from public funding. The Joint Committee has absolute discretion on whether to approve or reject any project business cases recommended by the Celtic Freeport Company for financial support from public funding;
- reviewing and approving any business plan which includes a profiled statement of spending covering grants awarded to the Celtic Freeport Company;
- financial management of public funding;
- monitoring the financial impact on public funding and reporting on this to the Councils;
- reviewing, consulting on, approving and monitoring the implementation of the investment policy that is to be created;
- agreeing the annual costs budget for the running of the Joint Committee;
- agreeing the terms and conditions of project funding;
- reviewing and consulting on non domestic rate relief policies and any other relevant policies that the Council will be required to develop and adopt in respect of public funding; and
- consideration of the Celtic Freeport Company's budget and forward financial plan in connection with the use of any retained non domestic rate relief allocation to support their operating costs. Any request for retained non domestic rate relief allocation to support such costs cannot be unreasonably withheld or delayed by the Joint Committee.

Of the key functions will be to approve the Investment Policy for the Celtic Freeport. The purpose of this policy is to provide a detailed strategy for the use of any retained non-domestic rates revenue, including:

- the criteria projects must meet to be eligible for funding and how these uphold the requirements of legislation, policy and guidance and align with the objectives of any revenue from retained non-domestic rates;
- workstreams and wherever possible, specific projects that will be funded and how these meet the requirements and align with the objectives of any revenue from retained non-domestic rates;
- the overall expected value of retained non-domestic rates profiled over time and an indicative allocation between workstreams and where possible, specific projects.
- any planned borrowing against future income from retained non-domestic rates. This should make clear why borrowing is needed, when it will occur, who will borrow and from whom, and should include a more detailed articulation of how borrowing will take place
- how decisions regarding the use of retained non-domestic rates will be taken and the process for prioritising and selecting projects for funding. This must demonstrate that these arrangements will best equip the Celtic Freeport to realise its objectives.
- where ownership of the policy on the use of retained non-domestic rates within the Celtic Freeport lies and including how and when it will be reviewed and evaluated. This should make clear how the Celtic Freeport governing body will ensure delivery of the policy.
- alongside the rates retention forecasts there should also be a clear 5-year forecast for the estimated cost of non domestic rate relief, factoring in all planned developments that will be eligible for the relief. This relief forecast should align with the rates retention assessment.

The Joint Committee shall comprise six members in total, three from each Council (and including each Council's Leader). It is proposed that the Neath Port Talbot Council representatives be the Leader, the Cabinet Member for Finance, Performance and Social Justice and the Cabinet Member for Climate Change and Economic Growth. Each Council may appoint a deputy for their members on the Joint Committee who may attend meetings as substitutes for the Council's appointed members. No allowances shall be paid for attendance at these meetings.

It should be noted that any decisions of the Joint Committee must be made by unanimity of those present.

The Chief Executive Officer, Monitoring Officer and Section 151 officer of each of the Councils shall be entitled to attend meetings of the Joint Committee as advisers and shall not have a vote.

It would be proposed that the Joint Committee be serviced by Neath Port Talbot Council as Accountable Body for the Celtic Freeport.

### Scrutiny

A joint overview and scrutiny committee is also proposed to be established to scrutinise the work of the Joint Committee. Both Neath Port Talbot and

Pembrokeshire will appoint equal members to the proposed joint scrutiny committee. However, the establishment of a Joint Scrutiny Committee and appointments to it are a function of Council and will therefore be subject to a future report to Full Council. A copy of the Terms of Reference of the Scrutiny Committee are found at Schedule 2 of the Joint Committee Agreement found at Appendix 1.

In summary, the purpose of the Joint Scrutiny Committee shall be performing the overview and scrutiny function for Celtic Freeport Public Funds Joint Committee. For the avoidance of doubt scrutiny of individual Council projects shall be a matter for the relevant Council Scrutiny Committee. It will comprise 4 representatives (appointed by way of political balance) from each of the two Councils. The quorum for meetings of the Joint Scrutiny Committee shall be no less than 4 members, which must include at least 2 members from each Council

### **Financial Implications**

It shall be the role of the Joint Committee to agree the annual costs budget for the administration and work of the Joint Committee and this work is presently ongoing. The purpose will be to cover the costs incurred by officers in resourcing the Joint Committee in the manner stipulated in the agreement.

The Council as the Accountable Body shall prepare accounts for any costs incurred for the financial year, 1 April to 31 March.

All Costs incurred by the Councils in the administration of the Joint Committee shall be funded through retained nondomestic rates which shall be paid by each Council in accordance with the Investment Policy.

It is acknowledged however that during the establishment phase of the Celtic Freeport, this Council along with the other founding partners have funded all necessary activities for the creation of the Celtic Freeport and that such costs will be reimbursed to the from the first year of the retained nondomestic rates during the first year when the non-domestic rate relief receipts exceed £1,000,000.

During the period where this Council and PCC are not realising sufficient retained nondomestic rate receipts; or where any reimbursement results in insufficient retained nondomestic rates, both Councils shall fund the Joint Committee costs in such proportions as the Councils may agree from time to time. The Councils' costs in funding the Annual Costs Budget during such period shall be reimbursed to each Council following the realisation of sufficient retained nondomestic rate receipts to cover such costs.

### **Integrated Impact Assessment**

An Integrated Impact Assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. An integrated impact assessment is

enclosed at Appendix 2, which members are asked to consider as part of determination.

The integrated impact assessment will be further developed as part of the final business case development. The fundamental intent of the bid is to boost economic growth which is expected to impact positively on the socio- economic profile of the area.

### **Workforce Impacts**

There will also be a time commitment for senior officers required to participate in the governance structures. Ongoing consideration of addressing capacity to fulfil these requirements is an ongoing and will be subject to future reports if necessary.

### **Legal Powers**

There are a number of legal powers available to local authorities to facilitate the proposed collaboration and creation of a Joint Committee. These include Sections 101 and 102 of the Local Government Act 1972, the Local Government and Election (Wales) Act 2021, sections 19 and 20 of the Local Government Act 2000, section 9 of the Local Government Wales Measure 2009 and Local Authorities (Goods and Services) Act 1970. 12.

These powers include the ability to delegate functions, the ability for two or more authorities to discharge any of their functions jointly, and where this occurs, to do so via a Joint Committee and the ability to supply administrative professional and technical services jointly.

### **Risk Management**

The financial risks to the Council remain low at present, around the sum of £150,000 to £250,000 as previously advised to members as part of the establishment costs of the Celtic Freeport. The main impacts are workload impacts on individuals involved in this process which will be subject to ongoing review.

### **Consultation**

The Freeport bid has been developed by the two local authorities, Associated British Ports and Milford Haven Port Authority, working in partnership. Wider consultation has also taken place with a wide range of public and private sector organisations including business networks within the Freeport proposed area.

## **Recommendations**

It is recommended that having due regard to the integrated impact assessment:

- (a) The Chief Executive in consultation with the Leader be granted delegated authority to enter into the Joint Committee Agreement with Pembrokeshire County Council. This is subject only to Pembrokeshire County Council doing likewise taking account of any minor amendments which may prove necessary and do not alter the substance of the document at Appendix 1
- (b) The Leader, the Cabinet Member for Finance, Performance and Social Justice and the Cabinet Member for Climate Change and Economic Growth be appointed as the Neath Port Talbot County Borough Council representatives to the Joint Committee
- (c) That any Cabinet Member be authorised to sit as an alternative representative to the Joint Committee in the absence of the Leader, the Cabinet Member for Finance, Performance and Social Justice and the Cabinet Member for Climate Change and Economic Growth
- (d) Members note a future report to Full Council agreeing the establishment of a Joint Overview and Scrutiny Committee with Pembrokeshire County Council

## **Reason for Decisions**

The reason for this report is to agree the establishment of a Joint Committee with Pembrokeshire County Council in respect of the NDR and Seed Capital funding schemes that will be developed.

Freeport status will act as a catalyst for significant economic growth within the locality and the wider region linked to the emerging off-shore wind sector and wider renewables agenda. Celtic Freeport will also support work to decarbonise industry, housing and transport at local regional and national levels helping to meet the net zero carbon targets. Green economic growth will help to address structural issues of poverty and deprivation in the local and regional economy stimulating the local supply chain and increasing the skills and qualifications of the resident population.

## **Implementation of Decisions**

The decision is proposed for immediate implementation with the consent of the Chair of the Cabinet Scrutiny Committee.

## **Appendices**

Appendix 1 – Draft Joint Committee Agreement

Appendix 2- Integrated Impact Assessment

## **List of Background Papers**

Cabinet decision of the 21<sup>st</sup> November 2022

Cabinet decision of the 10<sup>th</sup> May 2023

Cabinet decision of the 20<sup>th</sup> December 2023

Cabinet decision of 21<sup>st</sup> February 2024

**Officer Contact**

Mrs Karen Jones

Chief Executive

Mrs Nicola Pearce

Director of Environment and Regeneration

Mr Huw Jones

Chief Finance Officer

Mr Craig Griffiths

Head of Legal and Democratic Services

DATED

2024

**(1) NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

**and**

**(2) PEMBROKESHIRE COUNTY COUNCIL**

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**AGREEMENT FOR THE ESTABLISHMENT OF A PUBLIC FUNDS COMMITTEE FOR THE  
CELTIC FREEPORT ECONOMIC AREA**

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THIS AGREEMENT IS MADE ON

2024

**BETWEEN:**

- (1) **Neath Port Talbot County Borough Council** of Port Talbot Civic Centre, Port Talbot SA13 1PJ (“**NPTCBC**”); and
- (2) **Pembrokeshire County Council** of County Hall, Haverfordwest, Pembrokeshire SA61 1TP (“**PCC**”),

(each a “**Council**” and together referred to as the “**Councils**”)

**WHEREAS:**

- (A) The Founding Partners have put forward an outline business case to the UK Government and the Welsh Government, supporting designation of a freeport in South West Wales to be known as the Celtic Freeport. The Founding Partners intend that the Celtic Freeport Company Limited will act as the governing body of the Celtic Freeport. It is expected that in short order a Final Business Case will be submitted which will then lead (it is anticipated) to approval and thereafter designation of the Celtic Freeport as a freeport for the purposes of relevant legislation.
- (B) Public Funding will be available to entities within the Celtic Freeport Economic Area. To obtain Public Funding, such entities will need to submit an application to the Governing Body and demonstrate how their proposal furthers the Celtic Freeport Objectives. The Celtic Freeport Board shall decide whether to recommend an award of Public Funding to an entity in accordance with the Investment Policy to the Public Funds Committee.
- (C) The Councils agree to establish a joint committee to be known as the Public Funds Committee to oversee the investment of Public Funding and to ensure the proper democratic allocation of Public Funding. The Public Funds Committee shall have ultimate responsibility for approving or rejecting (but not amending) proposals from the Celtic Freeport Board relating to the investment of Public Funding.
- (D) The Councils have agreed to work together to establish the Public Funds Committee in order to discharge their obligations to one another, the Celtic Freeport and to Government, and to ensure the effective oversight of Public Funding and further the growth of the Celtic Freeport Economic Area.
- (E) The Councils have accordingly agreed to enter into this Agreement to document and regulate their respective rights and obligations to each other and to enable the Councils to work together to establish and to participate in the Public Funds Committee.
- (F) Each Council has passed resolutions at Full Council and Cabinet. NPTCBC passed their resolutions on [DATE] 2024 and [DATE] 2024, respectively, and PCC passed their resolutions on [DATE] 2024 and [DATE] 2024, respectively.
- (G) The Councils acknowledge that they each may pay Public Funding to a project delivery partner for a relevant project in the Celtic Freeport Economic Area.

**IT IS AGREED AS FOLLOWS:**

**1. Interpretation**

1.1 The following definitions and rules of interpretation apply in this Agreement:

<b>“Accountable Body”</b>	NPTCBC or any such body that becomes the accountable body to Government from time to time in respect of the use by the Celtic Freeport of public funds;
<b>“Accountable Body Costs”</b>	the operational and management costs incurred by the Accountable Body in carrying out its role of Accountable Body;
<b>“this Agreement”</b>	this agreement entered into by NPTCBC and PCC;
<b>“Annual Costs Budget”</b>	the approved annual costs budget of the Councils in relation to the payment of any Accountable Body Costs Committee Costs, and any Joint Scrutiny Committee Costs in accordance with this Agreement;
<b>“Applicable Law”</b>	all applicable laws, statutes, regulations, regulatory requirements, guidance and codes of practice in any relevant jurisdiction as amended, updated or replaced from time to time, including the Data Protection Laws;
<b>“Billing Authorities”</b>	Neath Port Talbot County Borough Council and Pembrokeshire County Council;
<b>“Business Day”</b>	any day other than a Saturday or Sunday or a public or bank holiday in Wales;
<b>“Capacity Funding”</b>	capacity funding equalling £1 million (or such other sum as agreed between DLUHC, Government and the Accountable Body) provided by DLUHC and/or Government to the Accountable Body to be made

	available to the Governing Body in accordance with the terms of any relevant agreement or letter;
<b>“Celtic Freeport”</b>	the special economic freeport zone to be designated in South-West Wales in response to the Freeport prospectus issued in September 2022 by Government as described in the Celtic Freeport Full Business Case to be approved by the Celtic Freeport Board;
<b>“Celtic Freeport Board”</b>	the board of directors of the Governing Body from time to time;
<b>“Celtic Freeport Economic Area”</b>	the area as defined from time to time by the Investment Policy within which Public Funding may be reinvested;
<b>“Celtic Freeport Objectives”</b>	the objectives set out in the articles of association of the Governing Body;
<b>“Commencement Date”</b>	the date of this Agreement;
<b>“Committee Costs”</b>	the operational and management costs of the Public Funds Committee;
<b>“Confidential Information”</b>	all know-how and other information relating to the business, affairs or methods of both or either Council and any other participant in the Celtic Freeport and any applicant for funding from the Celtic Freeport, which is contained in or discernible in any form whatsoever (including without limitation software, data, drawings, films, documents and computer-readable media and information pertaining to Intellectual Property) whether or not marked or designated as confidential or proprietary or which is disclosed orally or by demonstration and which is described at the time of disclosure as confidential or is clearly so from its content or the context of disclosure;
<b>“Councils’ Obligations”</b>	the obligations set out in clause 3;
<b>“Data”</b>	any data, document, code, information, Personal Data in connection with this Agreement;
<b>“Data Incident”</b>	the reasonable suspicion of, discovery by, or notice to a party that (a) Data has been or is likely to be accessed or obtained by an unauthorised person; or (b) a party’s systems have been or are likely to be compromised or vulnerable; or a person has threatened the unauthorised access to or obtaining of any Data;
<b>“Data Protection Laws”</b>	all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR; the DPA; and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended and the guidance and codes of practice issued by the Information Commissioner or other relevant regulatory authority and applicable to a party;
<b>“Data Subject”</b>	shall have the meanings set out in the DPA;
<b>“DLUHC”</b>	the Department for Levelling Up, Housing and Communities (and any other successor central government department which assumes some or all of the functions formerly exercised by the Department for Levelling Up, Housing and Communities upon an amalgamation or merger of or transfer of engagements or otherwise);
<b>“DPA”</b>	the Data Protection Act 2018 and regulations made thereunder;
<b>“DP Regulator”</b>	any governmental or regulatory body or authority with responsibility for monitoring or enforcing compliance with the Data Protection Laws;
<b>“FBC”</b>	the full business case submitted to DLUHC for the Celtic Freeport to operate a freeport within the Celtic Freeport Economic Area;

<b>“FOI Legislation”</b>	the Freedom of Information Act 2000 and subordinate legislation made under that Act and the Environmental Information Regulations 2004;
<b>Founding Partners</b>	Associated British Ports, Neath Port Talbot County Borough Council, Pembrokeshire County Council and Milford Haven Port Authority;
<b>“Governing Body”</b>	the entity responsible for the management and oversight of the Celtic Freeport being Celtic Freeport Company Limited a company incorporated in England and Wales (registered with company number 14779775) and whose register office is at Woodfield House, Castle Walk, Neath, SA11 3LN;
<b>“Government”</b>	Welsh Government and UK Government or either of them as the context permits or requires;
<b>“Intellectual Property”</b>	patents, rights to inventions, copyright and related rights, trade-marks, trade names and domain names, rights in get-up, rights in goodwill or to sue for passing off, rights in designs, rights in computer software, database rights, rights in confidential information (including know-how and trade secrets), and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world;
<b>“Investment Policy”</b>	<p>the Celtic Freeport’s policy approved by the Public Funds Committee for the investment of Retained NDR which includes, amongst other things:</p> <p>(i) the objectives of the Celtic Freeport’s Retained NDR programme;</p> <p>(ii) the types of investment which will be eligible;</p> <p>(iii) the process for identifying potential investments;</p> <p>(iv) the process of evaluating, prioritising and approving specific investments;</p> <p>(v) the guidelines for geographic balance, setting out how funding pots will be sized to ensure that they adequately reflect both the origin of the funds and a fair overall allocation between geographies;</p> <p>(vi) arrangements for monitoring, evaluating and reporting on the outcomes of investment of Retained NDR, including measuring those outcomes;</p>
<b>“Joint Scrutiny Committee Costs”</b>	the operational and management costs of the Joint Scrutiny Committee;
<b>“Investment Committee”</b>	a committee of the Governing Body responsible for assessing proposals for the allocation of Public Funding and making recommendations to the Public Funds Committee regarding such proposals for their consideration;
<b>“Local Authority”</b>	a principal council as defined in section 270 of the Local Government Act 1972 or any body established as a successor of a principal council;
<b>“Material”</b>	all data, text, graphics, images and other materials or documents created, used or supplied by either Council in connection with this Agreement unless before the first use or supply the relevant Council notifies the other Council that the data, text, graphics, images and other materials or documents supplied are not to be covered by this definition;
<b>“MoU”</b>	the Memorandum of Understanding to be entered into between the Governing Body, the Accountable Body, the Billing Authorities, DLUHC and the Welsh Government relating to the use of Public Funding provided by DLUHC and the Welsh Government to the Accountable Body for the Celtic Freeport and outlining

	other support to be made available to the Celtic Freeport by Government;
<b>“NDR”</b>	the non-domestic rates (otherwise known as business rates) payable by occupiers of non-domestic properties to the Billing Authorities under the Local Government and Finance Act 1988;
<b>“Personal Data”</b>	shall have the meanings set out in the DPA and shall also include “Personal Information” classified as “personal information” or “personally identifiable information” or similar term under the Applicable Law governing a person’s processing of personal information about an individual;
<b>“Powers”</b>	the powers of Welsh local authorities under: <ul style="list-style-type: none"> <li>(i) 101, 102, 111, 112 and 113 of the Local Government Act 1972 and sections 19 and 20 of the Local Government Act 2000 and the regulations made under these Acts to make arrangements to discharge functions jointly and to employ staff and place them at the disposal of other local authorities;</li> <li>(ii) the powers in section 9 of the Local Government (Wales) Measure 2009 to collaborate;</li> <li>(iii) the general power of competence under section 24 of the Local Government and Elections (Wales) Act 2021;</li> <li>(iv) the incidental powers in section 111 of the Local Government Act 1972;</li> <li>(v) the powers in section 1 of the Local Authorities (Goods and Services) Act 1970 and section 25 of the Local Government (Wales) Act 1994 to provide services;</li> <li>(vi) all other powers them so enabling;</li> </ul>
<b>“PR Protocol”</b>	a protocol agreed by the Councils for the release of public statements and press releases relating to the Celtic Freeport;
<b>“Project Business Case”</b>	a document setting out details of a project proposed for funding from the Celtic Freeport and explaining why it should be funded from Public Funding or Retained NDR;
<b>“Project Conditions”</b>	the project funding conditions for projects funded by Retained NDR proposed by the relevant Billing Authority and approved by the Public Funds Committee in accordance with clause 12;
<b>“Public Funding”</b>	the Capacity Funding, Retained NDR, Seed Capital Funding, and such other monies as Government may from time to time make available to the Celtic Freeport;
<b>“Regional Project”</b>	a project located in the area of both Councils;
<b>“Request for Information”</b>	a request for information or an apparent request under the FOI Legislation;
<b>“Retained NDR”</b>	the NDR retained by the Billing Authorities to be utilised in connection with the Celtic Freeport;
<b>“Seed Capital”</b>	the funding to be made available by Government under the MoU to be applied to the projects which shall be detailed in the FBC;
<b>“Terms of Reference”</b>	means the terms of reference of the Public Funds Committee as set out in Schedule 1 as may be amended from time to time in accordance with clause 4.4;
<b>“UK GDPR”</b>	has the meaning given to it in section 3(10) (as supplemented by section 205(4)) of the DPA;
<b>“Withdrawing Council”</b>	a Council that has given notice of its intention to withdraw from this Agreement in accordance with clause 16.

**“Withdrawal Notice”** a notice issued by one of the Councils in accordance with clause 16 to give notice of its withdrawal from this Agreement;

- 1.2 The headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.3 Words importing one gender include all other genders and words importing the singular include the plural and vice versa.
- 1.4 A reference in this Agreement to any clause, paragraph or Schedule is, except where it is expressly stated to the contrary, a reference to a clause or paragraph of or Schedule to this Agreement.
- 1.5 Any reference to this Agreement or to any other document unless otherwise specified shall include any variation, amendment or supplements to such document expressly permitted by this Agreement or otherwise agreed in writing between the relevant parties.
- 1.6 Words preceding “include”, “includes”, “including” and “included” shall be construed without limitation by the words which follow those words unless inconsistent with the context, and the rule of interpretation known as “*eiusdem generis*” shall not apply.
- 1.7 Any reference to the title of an officer of any of the Councils shall include any person holding such office from time to time by the same or any title substituted thereafter or such other officer of the relevant Council as that Council may from time to time appoint to carry out the duties of the officer referred to.
- 1.8 The Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement and references to this Agreement includes the Schedules.

## **2. Commencement and Duration**

This Agreement shall commence on the Commencement Date and shall continue in until it is terminated earlier in accordance with the provisions of this Agreement.

## **3. The Councils’ Obligations**

- 3.1 The Councils agree to work together to carry out the functions of the Public Funds Committee and ensure the effective oversight of Public Funding pursuant to and in accordance with this Agreement.
- 3.2 To that end the Councils shall promote the Celtic Freeport and (without prejudice to the generality of that obligation) shall comply with their duties as set out at clause 7 (Duties of the Accountable Body) and clause 8 (Duties of the Councils). This is subject to the fiduciary financial and legal duties of each Council.
- 3.3 Without prejudice to the specific terms of this Agreement, the Councils further agree that they shall conduct their relationship in accordance with the following principles:
  - (a) Openness and trust: The Councils shall be open and trusting in their dealings with each other, make information and analysis available to each other, discuss and develop ideas openly and contribute fully to all aspects of making the joint working successful. The Councils shall embrace a commitment to transparency in their dealings and shall recognise the need to comply with statutory access to information requirements including FOI Legislation and supporting codes of practice.
  - (b) Commitment and drive: The Councils shall be fully committed to working jointly, shall seek to fully motivate employees and shall address the challenges associated with the delivery of public money connected with the Celtic Freeport with enthusiasm and a determination to succeed.
  - (c) Skills and creativity: The Councils recognise that each brings complementary skills and knowledge which they shall apply creatively to achieving the Councils’ objectives, continuity, resolution of difficulties and the development of the joint working relationship and the personnel working within it. It is recognised that this shall involve the appreciation and adoption of common values.
  - (d) Effective relationships: The roles and responsibilities of each Council shall be clear with relationships developed at the appropriate levels within each organisation with direct and easy access to each other’s representatives.
  - (e) Developing and adaptive: The Councils recognise that they are engaged in a potentially long-term business relationship which needs to develop and adapt and shall use reasonable endeavours to develop and maintain an effective joint process to ensure that the relationship develops appropriately and in line with these principles and objectives.
  - (f) Reputation and Standing: The Councils shall pay the utmost regard to the standing and reputation of one another, and act with regard to each Council’s own employer and member codes of conduct and shall not do or fail to do anything which may bring the standing or reputation of any other Council into disrepute or attract adverse publicity to any other Council.
  - (g) Reasonableness of decision making: The Councils agree that all decisions made in relation to this Agreement and the Celtic Freeport shall be made by them acting reasonably and in good faith.
  - (h) Members and Officers’ Commitments: Each Council shall use its reasonable endeavours to procure that their respective members and officers who are involved in the Celtic Freeport shall at all times act in the best interests of the Celtic Freeport, and act compatibly with regard to each Council’s own employer and member codes of conduct, devote sufficient resources to deliver the Celtic Freeport and respond in a timely manner to all relevant requests from the other Council.

#### **4. Establishment of the Public Funds Committee**

- 4.1 In exercise of their Powers under sections 101(5) and 102 of the Local Government Act 1972, sections 19 and 20 of the Local Government Act 2000 and all other enabling powers the Councils hereby create a joint committee to be known as the Public Funds Committee with effect from the Commencement Date.
- 4.2 The Councils shall use their Powers in sections 101, 102, 111, 112 and 113 of the Local Government Act 1972, sections 19 and 20 of the Local Government Act 2000, section 24 of the Local Government and Elections (Wales) Act 2021, section 1 of the Local Authorities (Goods and Services) Act 1970, section 25 of the Local Government (Wales) Act 1994, section 9 of the Local Government (Wales) Measure 2009 and all other enabling powers available from time to time to facilitate their effective participation in the Public Funds Committee and the effective oversight of public money delivered through the Celtic Freeport.
- 4.3 The Terms of Reference as at the date of signature of this Agreement are set out in Schedule 1 to this Agreement. The Public Funds Committee shall operate and conduct its business in accordance with the terms of this Agreement including the Terms of Reference.
- 4.4 The Councils may from time to time vary the Terms of Reference and this shall be a matter reserved to the Councils however any changes must be done so in consultation with the Celtic Freeport Board. In the event that the Councils agree to vary the Terms of Reference they shall notify the Celtic Freeport Board and provide them with a copy of the revised terms within ten Business Days of any such revisions being agreed. The reservation to the Councils does not preclude the Public Funds Committee from making recommendations to vary the Terms of Reference where it considers they shall promote the Councils' Obligations.
- 4.5 This Agreement is without prejudice to each Council's other powers and responsibilities for its area.

#### **5. Arrangements for the discharge of functions**

- 5.1 The Councils agree to use their powers under section 101(1) of the Local Government Act 1972, sections 19 and 20 of the Local Government Act 2000 and all other enabling powers to enter into arrangements under which the Public Funds Committee shall discharge on their behalf the functions set out in the Terms of Reference.
- 5.2 Each Council hereby represents and confirms to the other Council that it has obtained all necessary consents sufficient to ensure the delegation of functions and responsibilities provided for by this Agreement.
- 5.3 Each Council warrants that entering into this Agreement and its participation in the Public Funds Committee is consistent with its own constitution.
- 5.4 The Councils agree that, where additional agreements may be required to ensure their working relationship and obligations in connection with the Celtic Freeport and under the MoU can be properly discharged, they shall work together and in good faith to agree such additional agreements.

#### **6. Appointment of the Accountable Body and officer functions**

- 6.1 NPTCBC shall act as the Accountable Body to the Celtic Freeport in accordance with the MoU and shall receive the Capacity Funding and Seed Capital for and on behalf of the Celtic Freeport and shall hold and manage such funding in accordance with the terms of the MoU although decisions about spending such funds will be subject to the provisions of this Agreement.
- 6.2 The Public Funds Committee shall determine the appropriate functions under this Agreement in respect of the section 151 officer, monitoring officer, democratic services, audit and scrutiny obligations as to whom such responsibilities shall lie. At the commencement of this Agreement responsibility for these functions are allocated as follows:
  - (a) NPTCBC - Section 151 Officer function
  - (b) NPTCBC – Monitoring Officer function and Democratic Services function (to the Public Funds Committee)
  - (c) PCC Scrutiny function (to the Public Funds Committee and Democratic Services of the Joint Scrutiny Committee)
  - (d) PCC – audit function
- 6.3 Any decision to change the responsibility for the functions set out in this clause 6 shall be agreed between the Councils and recorded in writing.
- 6.4 The Accountable Body shall act as the Accountable Body.

#### **7. Duties of the Accountable Body**

- 7.1 The Accountable Body shall:
  - (a) act as the primary interface with Government and any other funding bodies necessary to discharge the Councils' Obligations in respect of Public Funding;
  - (b) hold and release any Seed Capital and Capacity Funding (and where relevant other sources of Public Funding) and only release such funds as agreed in accordance with the terms of such funding and this Agreement;
  - (c) comply with the obligations of the Accountable Body set out in the MoU;
  - (d) undertake the accounting and auditing responsibilities set out in this Agreement; and
  - (e) cooperate with any reasonable requests of PCC relating to Scrutiny and audit functions.

## **8. Duties of the Councils**

8.1 The Councils shall:

- (a) act diligently and in good faith in all their dealings with each other and shall assist each other to discharge the Councils' obligations in relation to the Public Funds Committee and the oversight of public money delivered through the Celtic Freeport pursuant to and in accordance with this Agreement and all applicable legislation;
- (b) act with reasonable skill and care and in accordance with best practice;
- (c) work together to ensure that Retained NDR is utilised and distributed equitably across both Councils' areas and in accordance with the Investment Policy;
- (d) work together to deliver the outcomes and objectives contained in the MoU;
- (e) in respect of their role as Billing Authorities:
  - (i) hold and release Retained NDR and only release such funds as agreed in accordance with the terms of such funding and this Agreement;
  - (ii) act in accordance with the principles and strategic aims of this Agreement and any applicable policies agreed by the Public Funds Committee; and
  - (iii) comply with any investigation by Audit Wales, Public Service Ombudsman for Wales, or any other statutory ombudsman or tribunal relating to the Celtic Freeport.

8.2 It is acknowledged and agreed that the obligations and liabilities of each Council shall bind any successor authority in the event of any local government reorganisation.

8.3 Where any additional services not covered by the roles and responsibilities set out with this Agreement may be required to support the Public Funds Committee in the discharge of its obligations under this Agreement these shall be provided by the Councils as necessary and as agreed between the Councils from time to time.

## **9. Retained Business Rates**

9.1 The Public Funds Committee shall:

- (a) approve the Investment Policy;
- (b) ensure decisions relating to the use and management of Retained NDR are taken in accordance with the Investment Policy.

## **10. Virtual Pooling**

10.1 The Councils shall operate a virtual pooled fund for the management and utilisation of Retained NDR. Allocation of Retained NDR and the operation of the virtual pooled fund shall be determined and undertaken in accordance with the Investment Policy.

## **11. Projects Funded**

11.1 Public Funding shall support local projects and Regional Projects in accordance with the Investment Policy which align with and promote the following broad objectives:

- (a) to promote regeneration and job creation;
- (b) to support activity which promotes the transition to a Net Zero economy and the Celtic Freeport's Net Zero and decarbonisation ambitions;
- (c) to establish the Celtic Freeport as a national hub for global trade and investment; and
- (d) to create hotbeds for innovation.

## **12. Processes for funding Projects**

12.1 In order to receive Public Funding every project must observe the following procedure:

- (a) the Investment Committee is responsible for assessing proposals for the allocation of Seed Capital and Retained NDR (and where relevant other sources of Public Funding) and will make proposals in accordance with the Investment Policy to the Celtic Freeport Board;
- (b) the Celtic Freeport Board will review all proposals made by the Investment Committee and make recommendations to the Public Funds Committee;
- (c) the Public Funds Committee can either approve or reject the recommendations put to it by the Celtic Freeport Board. It cannot amend such recommendations, nor propose that an alternative level of funding is made available to the relevant project;
- (d) funding for projects shall only be released at the request of the Public Funds Committee.
- (e) All Project Business Cases for projects to be considered for funding from Public Funding must meet the requirements of extant guidance from the UK and Welsh Governments which at the Commencement Date is guidance on the preparation of "five case business models" and accordingly every Project Business Case must include full details of:
  - (i) the strategic case (strategic fit and clear investment objectives);

- (ii) the economic case (optimising value for money);
  - (iii) the commercial case (attractiveness to the market and procurement arrangements);
  - (iv) the financial case (affordability – including the contributions to be made by other public and private sector partners and the basis for them); and
  - (v) the management case (deliverability – including confirmation of decisions made and required by the governance arrangements of third party funders of a project - and plans for delivery).
- (f) If the Public Funds Committee is not satisfied with the quality of the Project Business Case it shall return the Project Business Case to the Celtic Freeport Board. The Project Business Case may then be amended as necessary and resubmitted.
- (g) If the Public Funds Committee approves a project for funding from [Public Funding][Seed Capital or Retained NDR] it shall consider and approve the Project Conditions proposed by the relevant Council (or Councils as the case may be) for the project. Upon approval of the Project Conditions the Public Funds Committee shall direct the relevant Council (or Councils as the case may be) to release the [Public Funding][Seed Capital or Retained NDR] for that project.
- 12.2 The Councils shall, with the support of the Governing Body, be responsible for ensuring compliance with the Project Conditions. Public Funding paid to any project must not exceed the amount allocated to the project in accordance with the Project Business Case or as otherwise agreed by the Public Funds Committee.
- 12.3 If a Council wishes to withdraw or withhold funding from a project being funded by Public Funding, it shall do so in accordance with the terms of any funding agreement into which it has entered for the project and shall notify the Public Funds Committee as soon as is reasonably practicable.
- 12.4 It is intended that the process identified in this clause 12 shall take no longer than six (6) calendar months.

### **13. Costs**

#### **13.1 Budget**

The Public Funds Committee shall agree the Annual Costs Budget.

#### **13.2 Accounts**

The Accountable Body shall prepare accounts for any Committee Costs and Joint Scrutiny Committee Costs incurred for the financial year, 1 April to 31 March.

#### **13.3 Annual Costs Budget**

- (a) Subject to 13.3(b) and 13.3(c), all Costs in the Annual Costs Budget shall be funded through Retained NDR which shall be paid by each Council in accordance with the Investment Policy.
- (b) The Councils acknowledge that during the establishment phase of the Celtic Freeport, the Founding Partners funded all necessary activities for the creation of the Celtic Freeport and establishment of the Governing Body and that such costs will be reimbursed to the Founding Partners from Retained NDR during the first year when Retained NDR receipts exceed £1,000,000.
- (c) During the period:
  - (i) where the Billing Authorities are not realising sufficient Retained NDR receipts; or
  - (ii) where any reimbursement to the Founding Partners pursuant to clause 13.3(b) results in insufficient Retained NDR, to fund the Annual Costs Budget, the Annual Costs Budget shall be funded by the Councils in such proportions as the Councils may agree from time to time. The Councils' costs in funding the Annual Costs Budget during such period shall be reimbursed to each Council following the Billing Authorities' realisation of sufficient Retained NDR receipts to cover such costs.
- (d) Should there be any shortfall in funding for the Annual Costs Budget from Retained NDR the Councils shall agree funding contributions to be paid by each Council to cover the shortfall.
- (e) The Public Funds Committee shall if necessary consider and recommend to the Councils alternative funding options for the Annual Costs Budget.

### **14. Audit and Scrutiny**

- 14.1 In exercise of their powers under sections 101 and 102 of the Local Government Act 1972, sections 19 and 20 of the Local Government Act 2000 and all other enabling powers the Councils hereby create a Joint Scrutiny Committee with effect from the Commencement Date. The Joint Scrutiny Committee shall provide a scrutiny function to ensure greater public accountability over decisions made by the Public Funds Committee.
- 14.2 The terms of reference of the Joint Scrutiny Committee are set out at Schedule 2 to this Agreement.
- 14.3 The membership of the Joint Scrutiny Committee shall consist of 8 members. The Councils shall each nominate 4 members for appointment to the Joint Scrutiny Committee. The members nominated by each Council shall be elected members of that Council but shall not be a member of that Council's executive and shall not be a member of the Public Funds Committee.
- 14.4 The role of the Joint Scrutiny Committee is to provide advice, challenge and support to the Public Funds Committee. To the extent the Joint Scrutiny Committee can influence the Public Funds Committee's decision making, the Joint Scrutiny Committee shall be required to:



- (a) Review and scrutinise the Public Funds Committee's financial affairs.
  - (b) Review and assess the economy, efficiency and effectiveness with which resources have been used.
  - (c) Make reports and recommendations to the Public Funds Committee in relation to the points in (a) and (b).
- 14.5 If any Council is provided with Public Funding to implement a project in the Celtic Freeport Economic Area the Joint Scrutiny Committee shall audit the finances and the discharge of functions relating to that project.
- 14.6 Any Council which is provided with Public Funding to implement a project in the Celtic Freeport Economic Area shall keep records of time worked by any person working on the project and any other costs relating to the project.
- 14.7 Each Council shall keep records of time worked by any person on any matter relating to the Public Funds Committee or the Celtic Freeport.
- 14.8 Each Council shall permit all records held by it which are referred to in this Agreement or relate to this Agreement to be examined and copied from time to time by the other Council or any representatives of the other Council or any other representatives who reasonably require access to the same in order to undertake any audit of the funds received and spent pursuant to this Agreement (including but not limited to the Accountable Body and Public Funds Committee). If a representative of a Council requests from the other Council a copy in electronic form of any record held by the other Council which is referred to in this Agreement or relates to this Agreement the other Council shall provide a copy of the requested record in electronic form if the record exists in electronic form when the other Council receives the request.
- 14.9 The Auditor General for Wales shall have access to any document relating to the Public Funds Committee for the purpose of the Auditor General's examination of any auditable accounts, for the purpose of undertaking studies under section 145A of the Government of Wales Act 1998 or for the purpose of carrying out in accordance with any enactment other examinations or studies into the economy, efficiency and effectiveness with which a person has used resources in discharging the person's functions and any officer of the Wales Audit Office and Government shall have access to any document relating to the Public Funds Committee and shall be permitted at reasonable notice to visit the premises of the Councils and to inspect activities funded by Public Funding and to examine and take copies of books of account and other documents and records relating to activities funded by Public Funding.

## 15. Mitigation

- 15.1 Each Council shall at all times take all reasonable steps to minimise and mitigate any:
- (a) loss for which the relevant Council is entitled to bring a claim against the other Council;
  - (b) losses arising from the determination of this Agreement; and
  - (c) losses arising from the withdrawal of a Council from the Public Funds Committee, pursuant to the terms of this Agreement.

## 16. Withdrawal from the Public Funds Committee and Termination

- 16.1 This Agreement and the Public Funds Committee created in accordance with its terms shall (unless otherwise agreed in writing by the Councils) terminate not less than thirty Business Days after the occurrence of any of the following events:
- (a) the Governing Body ceases to operate;
  - (b) the Governing Body is wound up;
  - (c) the Celtic Freeport ceases to be designated as a Freeport under legislation or otherwise by direction of Government; or
  - (d) either or both Councils withdraw from their membership of the Governing Body.
- 16.2 Either Council may withdraw from the Public Funds Committee by giving not less than twenty four months' written notice to the other Council of its intention to do so ("**Withdrawal Notice**").
- 16.3 Upon receipt of a Withdrawal Notice or upon occurrence of any event set out in clause 16.1 an emergency meeting of the Public Funds Committee shall be convened. The meeting shall consider the implications of such withdrawal or termination and endeavour to agree an appropriate exit plan. Failure to agree an exit plan will be referred to the dispute resolution procedure set out in clause 19 and withdrawal or termination will be suspended until the dispute is resolved. The Councils agree that they will provide all reasonable assistance to one another to allow the exit of either Council.
- 16.4 In the absence of agreement to the contrary each Council shall bear its own costs in relation to termination or a Council's withdrawal from the Public Funds Committee and a withdrawing Council shall have no obligation to bear the costs of the other Council even where such costs are directly related to the withdrawal.
- 16.5 The exiting Council shall remain liable for its share (as calculated in accordance with the terms of this Agreement) of any costs properly incurred by the Public Funds Committee during its time as a member up to and including the date upon which its membership terminates.
- 16.6 Where either Council withdraws from the Public Funds Committee this Agreement shall terminate and the provisions of clause 17 shall apply.

## 17. Termination of this Agreement

- 17.1 In addition to clause 16, the Councils agree that this Agreement may be determined upon terms agreed by the Councils.
- 17.2 In the event of termination of this Agreement each Council shall:

- (a) supply to the other Council when requested any information which the other Council requires for the continuing involvement by that Council in the Celtic Freeport; and
- (b) undertake to pay such reasonable payment or payments which fairly reflect the obligations of that Council pursuant to this Agreement or in absence of agreement on an equal basis.

## 18. Liabilities of the Councils

- 18.1 Each Council shall indemnify and keep indemnified the other Council against any losses, claims, expenses, actions, demands, costs and liability suffered by that Council to the extent arising from any wilful default or breach by the indemnifying Council of its obligations under this Agreement or negligent act or omission in relation to such obligations (for the purposes of this clause 18 "wilful" shall not include matters which are outside the reasonable control of the indemnifying Council).
- 18.2 No claim shall be made against the Accountable Body to recover any loss or damage which may be incurred by reason of or arising out of the carrying out by the Accountable Body of its obligations under this Agreement unless and to the extent such loss or damage arises from a wilful default or breach or negligent act or omission by the Accountable Body under clause 18.1.
- 18.3 Where either Council receives a claim for losses, expenses, actions, demands, costs and liabilities which relates to this Agreement it shall notify and provide details of such claim as soon as is reasonably practicable to the other Council.
- 18.4 Neither Council shall be indemnified in accordance with this clause 18 unless it has given notice in accordance with clause 18.3 to the other Council against whom it shall be enforcing its right to an indemnity under this Agreement.
- 18.5 Each Council shall not be obliged to indemnify the other Council to the extent that the insurances maintained by the other Council at the relevant time provide an indemnity against the loss giving rise to a claim and to the extent that the other Council recovers under a policy of insurance save that the Council responsible for liabilities suffered by the other Council shall be responsible for the deductible under any such policy of insurance and any amount over the maximum amount insured under such policy of insurance.

## 19. Dispute Resolution

- 19.1 The Councils undertake and agree to pursue a positive approach towards dispute resolution which seeks in the context of this joint working arrangement to identify a solution at the lowest operational level that is appropriate to the subject of the dispute and which avoids legal proceedings and maintains a strong working relationship between the Councils.
- 19.2 Any dispute arising in relation to any aspect of this Agreement shall be resolved in accordance with this clause 19. This is without prejudice to the right of each Council under section 103 of the Local Government Act 1972 to refer a dispute about the expenses of a joint committee to be determined by a single arbitrator agreed by the appointing authorities or, in the absence of agreement, to be determined by the Welsh Ministers.
- 19.3 All disputes, claims or differences between the Councils arising out of or in connection with this Agreement or its subject matter or formation, including any question regarding its existence, validity or termination, ("**Dispute**") shall, at the written request of a Council, be referred by each Council to its Chief Executive Officer.
- 19.4 If the Councils' Chief Executive Officers do not agree a resolution of the Dispute within twenty Business Days of the date of service of any such request, either Council may require the other Council by notice in writing to attempt to settle the Dispute by mediation in accordance with the Centre for Dispute Resolution ("**CEDR**") Model Mediation Procedure. Within five Business Days of the date of service of such notice the Councils shall each propose a mediator and shall seek to agree as to the selection of a mediator.
- 19.5 If the Councils are unable to agree on a mediator within ten Business Days of date of service of the notice referred to in clause 19.4 or the mediator agreed upon is unable or unwilling to act and the Councils cannot agree upon a substitute, either of the Councils may apply to CEDR to appoint a mediator as soon as practicable.
- 19.6 The Councils shall within five Business Days of the appointment of the mediator ("**Mediator**") meet with them in order to agree a programme for the exchange of any relevant information and the structure to be adopted for the negotiations. If considered appropriate, the Councils may at any stage seek assistance from CEDR to provide guidance on a suitable procedure.
- 19.7 All negotiations connected with the Dispute shall be conducted in strict confidence and without prejudice to the rights of the Councils in any future proceedings.
- 19.8 If the Councils reach agreement on the resolution of the Dispute, such agreement shall be reduced to writing and, once it is signed by the Councils or their duly authorised representatives, shall be and remain binding upon the Councils.
- 19.9 The costs and expenses of the mediation shall be borne equally by the Councils. Each Council shall bear its own costs and expenses of its participation in the mediation.
- 19.10 If mediation fails to secure a resolution within ten Business Days of the Mediator being appointed, the Dispute shall be referred to and finally resolved by the Courts of England and Wales in accordance with clause 29.
- 19.11 In the event that court proceedings are commenced pursuant to clause 19.10 the Councils shall notify Government.

## 20. Notices

### 20.1 Form of Notice

Any demand, notice or other communication given in connection with or required by this Agreement shall be made in writing and shall be delivered to or sent by:

- (a) pre-paid first class post or special delivery post; or

- (b) email,

to the recipient at the address as notified in writing by each Council to the other from time to time.

## 20.2 Service

Any such demand, notice or communication shall be deemed to have been duly served:

- (a) if delivered by hand, when left at the proper address for service;
- (b) if given or made by pre-paid first class or special delivery post two Business Days after being posted; or
- (c) if sent by email at the time of transmission,

provided in each case that if the time of such deemed service is either after 4.00pm on a Business Day or on a day other than a Business Day service shall be deemed to occur at 9.00am on the next following Business Day.

## 21. Information and Confidentiality

21.1 Each Council shall keep confidential all Confidential Information and shall use all reasonable endeavours to prevent their employees and agents from making any disclosure to any person of any Confidential Information other than as permitted under the provisions of this Agreement. Each Council shall not use or disclose other than as permitted under the provisions of this Agreement any Confidential Information about the business of or belonging to the other Council or third party which has come to its attention as a result of or in connection with this Agreement.

21.2 The obligation in clause 21.1 shall not apply to:

- (a) any disclosure of information that is reasonably required by persons engaged in the performance of their obligations under this Agreement;
- (b) any matter which a party can demonstrate is already generally available and in the public domain otherwise than as a result of a breach of this clause;
- (c) any disclosure which is required by any law (including any order or a court of competent jurisdiction) any statutory obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law;
- (d) any disclosure of information which is already lawfully in the possession of the disclosing Council without restrictions as to its use prior to its disclosure by the disclosing Council;
- (e) any disclosure which is required or recommended by the rules of any governmental or regulatory authority including any guidance from time to time as to openness and disclosure of information by public bodies;
- (f) any disclosure which is necessary to be disclosed to provide relevant information to any insurance broker in connection with obtaining any insurance required by this Agreement;
- (g) any disclosure made pursuant to clause 23;
- (h) any disclosure by a party to a department, office or agency of Government; or
- (i) any disclosure for the purpose of the examination and certification of a party's accounts.

21.3 Where disclosure is permitted under clauses 21.2(a), 21.2(f), 21.2(h) or 21.2(i) the recipient of the information shall be placed under the same obligation of confidentiality as that contained in this Agreement by the disclosing Council.

21.4 Neither Council shall make any public statement or issue any press release or publish any other public document relating to, connected with, or arising out of this Agreement or any other agreement relating to the Celtic Freeport other than in accordance with any PR Protocol agreed by the Councils or similar policy as may be adopted by the Governing Body.

## 22. Data Protection

22.1 The Councils shall comply with the provisions and obligations imposed on them by the Data Protection Laws at all times when processing Personal Data in connection with this Agreement, such processing shall be in respect of the types of Personal Data, categories of Data Subjects, nature and purposes, and duration, set out in a document to be agreed by the Councils.

22.2 Each Council shall maintain records of all processing operations under its responsibility that contain at least the minimum information required by the Data Protection Laws, and shall make such information available to any DP Regulator on request.

22.3 To the extent either Council processes any Personal Data on behalf of the other Council the processing Council shall:

- (a) process such Personal Data only in accordance with the other Council's written instructions from time to time and only for the duration of this Agreement;
- (b) not process such Personal Data for any purpose other than those set out in this Agreement or otherwise expressly authorised by the other Council;
- (c) take reasonable steps to ensure the reliability of all its personnel who have access to such Personal Data, limit such access to its personnel who require access, and remove, when no longer required, such access to the Personal Data, and ensure that any such personnel are committed to binding obligations of confidentiality when processing such Personal Data;
- (d) implement and maintain technical and organisational measures and procedures to ensure an appropriate level of security for such Personal Data, including protecting such Personal Data against the risks of accidental, unlawful or unauthorised destruction, loss, alteration, disclosure, dissemination or access;

- (e) not transfer such Personal Data outside the UK without the prior written consent of the other Council;
- (f) inform the other Council within twenty four hours if any such Personal Data is (while within the processing Council's possession or control) subject to a personal data breach (as defined in Article 4 of the UK GDPR) or within such other time period as required under other Data Protection Laws, or is lost or destroyed or becomes damaged, corrupted or unusable.
- (g) only appoint a third party to process such Personal Data with the prior written consent of the other Council;
- (h) not use or disclose any Personal Data to any Data Subject or to a third party other than at the written request of the other Council or as expressly provided for in this Agreement;
- (i) return or irretrievably delete all Personal Data on termination or expiry of this Agreement and not make any further use of such Personal Data;
- (j) provide to the other Council and any DP Regulator all information and assistance necessary or desirable to demonstrate or ensure compliance with the obligations in this clause and the Data Protection Laws;
- (k) permit the other Council or its representatives to access any relevant premises, personnel or records of the processing Council on reasonable notice to audit and otherwise verify compliance with this clause;
- (l) take such steps as are reasonably required to assist the other Council in ensuring compliance with its obligations under Articles 30 to 36 (inclusive) of the UK GDPR and other applicable Data Protection Laws;
- (m) notify the other Council within two Business Days if it receives a request from a Data Subject to exercise its rights under the Data Protection Laws in relation to that person's Personal Data; and
- (n) provide the other Council with its full co-operation and assistance in relation to any request made by a Data Subject to exercise its rights under the Data Protection Laws in relation to that person's Personal Data.

22.4 If either Council receives any complaint, notice or communication which relates directly or indirectly to the processing of Personal Data by the other Council or to the other Council's compliance with the Data Protection Laws, it shall as soon as reasonably practicable, notify the other Council and it shall provide the other Council with reasonable co-operation and assistance in relation to any such complaint, notice or communication.

22.5 If either Council requires the other Council to make any disclosures or provide any information in respect of this Agreement in order to enable that Council to meet its obligations under the Data Protection Laws the other Council shall do so.

22.6 The provisions of this clause 22 shall apply during the continuance of this Agreement and indefinitely after its expiry or termination.

## **23. Freedom of Information**

23.1 Each Council acknowledges that it and the other Council are subject to the requirements of FOI Legislation and therefore recognise that information relating to this Agreement may be the subject of a Request for Information. The Councils shall comply with their own policy on FOI Legislation in respect of information disclosure obligations to the extent that they relate to the Celtic Freeport.

23.2 Where a Council receives a Request for Information in relation to information which it is holding on behalf of the other Council in connection with the Celtic Freeport, it shall inform the other Council of the request and its response.

23.3 The Councils shall be required to assist each other in responding to a Request for Information to the extent that it relates to the Celtic Freeport. This shall include co-ordinating the response when requested to do so by the other Council. All costs incurred by the assisting Council in assisting the other Council with a response to a Request for Information relating to the Celtic Freeport shall be accounted for as Committee Costs. The Council which requests the assistance of or co-ordination of the assisting Council to respond to a Request for Information relating to the Celtic Freeport shall:

- (a) provide the assisting Council with a copy of the Request for Information as soon as practicable after receipt and in any event within two Business Days of receiving the Request for Information;
- (b) provide the assisting Council with a copy of all information in its possession or power in the form the assisting Council reasonably requires within ten Business Days (or such longer period as the assisting Council may specify) of the assisting Council requesting that information;
- (c) provide all necessary assistance as reasonably requested by the assisting Council to enable it to provide any required assistance or co-ordination of a response to a Request for Information within the time for compliance set out in FOI Legislation;

23.4 The Council which receives a Request for Information shall be responsible for determining in their absolute discretion whether any information requested:

- (a) is exempt from disclosure under FOI Legislation; or
- (b) is to be disclosed in response to the Request for Information.

23.5 Each Council agrees that the other Council may be obliged under the FOI Legislation to disclose information:

- (a) without consulting them where it has not been practicable to achieve such consultation; or
- (b) following consultation with them and having taken their views into account.

## **24. Language**

The Public Funds Committee and Joint Scrutiny Committee shall undertake their functions in such a way as to comply with each of the Council's compliance notices issued under the Welsh Language Standards (No 1) Regulations 2015.

## **25. Severability**

25.1 If at any time any clause or part of a clause or Schedule or appendix or part of a Schedule or appendix to this Agreement is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid or unenforceable in any respect:

- (a) that shall not affect or impair the legality, validity or enforceability of any other provision of this Agreement; and
- (b) the Councils shall in good faith amend this Agreement to reflect as nearly as possible the spirit and intention behind that illegal, invalid or unenforceable provision to the extent that such spirit and intention is consistent with the laws of that jurisdiction and so that the amended Agreement complies with the laws of that jurisdiction.

## **26. Relationship of Councils**

Each Council is an independent Local Authority and nothing contained in this Agreement shall be construed to imply that there is any relationship between the Councils of partnership or principal/agent or of employer/employee. Neither Council shall have any right or authority to act on behalf of the other nor to bind the other Council by contract or otherwise except to the extent expressly permitted by the terms of this Agreement.

## **27. Third Party Rights**

The Councils as parties to this Agreement do not intend that any of its terms shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

## **28. Entire Agreement**

28.1 This Agreement and all documents referred to in this Agreement set forth the entire agreement between the Councils with respect to the subject matter covered by them and supersede and replace all prior communications, representations (other than fraudulent representations), warranties, stipulations, undertakings and agreements whether oral or written between the Councils.

28.2 Each Council acknowledges that it does not enter into this Agreement in reliance on any warranty, representation or undertaking other than those contained in this Agreement and that its only remedies are for breach of this Agreement, provided that this shall not exclude any liability which either Council would otherwise have to the other in respect of any statements made fraudulently by or on behalf of it prior to the date of this Agreement.

## **29. Law of Agreement or Jurisdiction**

This Agreement shall be governed by the laws of England and Wales as they apply in Wales and the Councils submit to the exclusive jurisdiction of the courts of England and Wales.

## **30. Assignment**

30.1 The rights and obligations of the Councils under this Agreement shall not be assigned, novated or otherwise transferred to any person other than to any public body acquiring the whole of the Agreement and having the legal capacity, power and authority to become a party to and to perform the obligations of the relevant Council under this Agreement being:

- (a) the Welsh Ministers;
- (b) a devolved Welsh authority as defined in the Wales Act 2017;
- (c) a Minister of the Crown pursuant to an Order under the Ministers of the Crown Act 1975; and
- (d) a UK public body exercising functions in Wales or in England and Wales.

## **31. Waiver**

31.1 No failure or delay by either Council to exercise any right, power or remedy shall operate as a waiver of it nor shall any partial exercise preclude any further exercise of the same or some other right, power or remedy unless a waiver is given in writing by that Council.

31.2 Each Council shall pay its own costs incurred in connection with the preparation, execution, completion and implementation of this Agreement.

## **32. Counterparts**

This Agreement may be executed in any number of counterparts each of which so executed shall be an original but together shall constitute one and the same instrument.

## **33. Discretion of the Councils**

The discretion of each Council shall not be fettered or otherwise affected by the terms of this Agreement.

**This Agreement has been entered into as a deed and delivered on the date stated at the beginning of it.**

THE COMMON SEAL OF

the **Neath Port Talbot County Borough Council**

was hereunto affixed in the presence of

THE COMMON SEAL OF

the **Pembrokeshire County Council**

was hereunto affixed in the presence of

## Schedule 1 Terms of Reference of the Public Funds Committee

### 1 Membership

The Public Funds Committee shall comprise 6 members in total, 3 from each Council (and including each Council's leader).

### 2 Purpose

- 2.1 The Public Funds Committee's role is to ensure proper democratic accountability for the allocation of Public Funding including but not limited to ensuring compliance with the UK's subsidy control regime and value for money.
- 2.2 The Public Funds Committee has ultimate responsibility for approving or rejecting (but not amending) proposals from the Celtic Freeport Board relating to the use of Public Funding and Public Funding will only be released by the Councils for approved purposes at the request of the Public Funds Committee.
- 2.3 The Public Funds Committee is the final stage in the decision-making process relating to the use of Public Funding where proposals from the Celtic Freeport Board are presented to the Councils and the Councils are entitled to take a meaningful decision on the proposals, including refusing to approve them.
- 2.4 The Public Funds Committee's functions shall include:
  - (a) considering and reviewing Project Business Cases seeking financial support from Public Funding as recommended to the Public Funds Committee by the Celtic Freeport Board;
  - (b) approving Project Business Cases eligible to receive funding from Public Funding. The Public Funds Committee has absolute discretion on whether to approve or reject any Project Business Cases recommended by the Celtic Freeport Board for financial support from Public Funding;
  - (c) reviewing and Approving any Business Plan which includes a profiled statement of spending covering grants awarded to the Governing Body from Public Funding;
  - (d) financial management of Public Funding;
  - (e) monitoring the financial impact on Public Funding and reporting on this to the Councils;
  - (f) reviewing, consulting on, approving and monitoring the implementation of the Investment Policy;
- 3.2 agreeing the Annual Costs Budget;
  - (a) agreeing the terms and conditions of Project Funding;
  - (b) reviewing and consulting on NDR relief policies and any other relevant policies that each Council may be required to develop and adopt in respect of Public Funding; and
  - (c) consideration of the Governing Body's budget and forward financial plan in connection with the use of Retained NDR allocation to support the Governing Body's operating costs. Any request for Retained NDR allocation to support such costs cannot be unreasonably withheld or delayed by the Public Funds Committee.

### 3 Membership

- 3.1 Each of the Councils shall appoint its leader or equivalent and two other representatives as members of the Public Funds Committee and each member shall have full voting rights.
- 3.2 Each Council may appoint deputies for their members on the Public Funds Committee who may attend meetings of the Public Funds Committee as substitutes for the Council's appointed members on the Public Funds Committee but such deputies shall only be entitled to attend meetings of the Public Funds Committee in the absence of the Council's appointed members.
- 3.3 The Public Funds Committee may appoint additional persons to the Public Funds Committee as non-voting members of the Public Funds Committee subject to such members entering into an appropriate co-option agreement.
- 3.4 The Chief Executive Officer, Monitoring Officer and Section 151 officer of each of the Councils shall be entitled to attend meetings of the Public Funds Committee as advisers and shall not have a vote.

### 4 Voting

Each member of the Public Funds Committee shall have one vote. Decisions of the Public Funds Committee shall be made by unanimity of those present and eligible to vote at the relevant meeting.

### 5 Conflict of Interest

- 5.1 To allow the Public Funds Committee to undertake all of its functions, where the Public Funds Committee is considering a project developed by one of the Councils, a clear distinction shall be drawn between those involved in the project's development and those representatives appointed to the Public Funds Committee.
- 5.2 Members of the Public Funds Committee will be required to declare any conflicts of interest at the commencement of any meeting of the Public Funds Committee. Conflicts shall be managed in accordance with the Celtic Freeport's conflicts of interest policy.

### 6 Proceedings of Meetings

- 6.1 The rules of procedure of the Accountable Body shall apply to meetings of the Public Funds Committee.
- 6.2 The members of the Public Funds Committee shall be subject to the codes of conduct of their respective Councils.

**7 Quorum**

The quorum for a meeting of the Public Funds Committee shall be the presence of the two voting members of the Public Funds Committee, including one representative from each Council.

**8 Frequency**

8.1 The Public Funds Committee shall meet quarterly or as and when may be required to consider proposals put to it by the Celtic Freeport Board in a timely manner.

8.2 Meetings of the Public Funds Committee may be called by any of the Public Funds Committee's voting members on the giving of seven days' notice in writing to the other voting members.

**9 Allowances**

No allowances shall be paid.

**10 Servicing**

The Accountable Body shall organise appropriate servicing for the meetings.



## Schedule 2 Terms of Reference of the Joint Scrutiny Committee

### 1 Membership

1.1 The Joint Scrutiny Committee shall comprise 8 members in total, 4 from each Council.

1.2 The membership shall not include members:

- (a) of each Council's executive; and
- (b) of the Public Funds Committee.

1.3 Each Council shall nominate members for the Joint Scrutiny Committee in accordance with the political balance rule as it applies to their own elected membership. The composition of the Joint Scrutiny Committee shall not be required to represent political balance across the membership of both Councils taken together.

### 2 Purpose

2.1 The purpose of the Joint Scrutiny Committee shall be performing the overview and scrutiny function for the Public Funds Committee (as specified in the Public Funds Committee joint committee agreement) on behalf of the Councils.

2.2 For the avoidance of doubt scrutiny of individual Council projects that each Council wishes to put forward for funding from Public Funding shall be a matter for the relevant Council Scrutiny Committee.

### 3 Chair

3.1 The Chair and Vice Chair of the Joint Scrutiny Committee shall be elected by the Joint Scrutiny Committee.

3.2 The Vice Chair of the Scrutiny Committee shall not be from the same Council as the Chair of the Joint Scrutiny Committee.

### 4 Voting

4.1 Each member of the Joint Scrutiny Committee shall have one vote. Decisions of the Joint Scrutiny Committee shall be made by simple majority vote.

4.2 In the event of equality of votes the Chair (or in their absence the Vice Chair) of the Joint Scrutiny Committee shall have a casting vote.

### 5 Conflicts of Interest

Members of the Joint Scrutiny Committee must declare any interest either before or during the meetings of the Joint Scrutiny Committee (and withdraw from that meeting if necessary) in accordance with their Council's Code of Conduct or as required by law.

### 6 Proceedings of Meetings

6.1 The rules of procedure of the Host Authority (as defined below) for the joint scrutiny function shall apply to meetings of the Joint Scrutiny Committee.

6.2 Members of the Joint Scrutiny Committee shall be subject to the Codes of Conduct for Members of their respective Councils.

### 7 Quorum

The quorum for meetings of the Joint Scrutiny Committee shall be no less than 4 members, which must include at least 2 members from each Council.

### 8 Frequency

The Joint Scrutiny Committee shall meet quarterly. Additional meetings may be convened by the Chair on at least seven clear days' notice.

### 9 Allowances

No allowances shall be paid.

### 10 Servicing

The Host Authority for the joint scrutiny functions shall be PCC.

### 11 Sub- Groups

The Joint Scrutiny Committee by agreement may create Task and Finish Groups.

### 12 Review

The Terms of reference of the Joint Scrutiny Committee shall be reviewed annually.

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## Integrated Impact Assessment (IIA)

This Integrated Impact Assessment considers the duties and requirements of the following legislation in order to inform and ensure effective decision making and compliance:

- Equality Act 2010
- Welsh Language Standards (No.1) Regulations 2015
- Well-being of Future Generations (Wales) Act 2015
- Environment (Wales) Act 2016

### 1. Details of the initiative

	<b>Title of the Initiative:</b>
<b>1a</b>	<b>Service Area:</b> Establishment of Celtic Freeport Joint Committee
<b>1b</b>	<b>Directorate:</b> Environment and Regeneration
<b>1c</b>	<b>Summary of the initiative:</b>  To seek authority for Neath Port Talbot County Borough Council (“the Council”) to enter into an agreement establishing a Joint Committee with Pembrokeshire County Council in respect of Celtic Freeport.
<b>1d</b>	<b>Who will be directly affected by this initiative?</b>  The UK and Welsh Governments have launched a Freeport initiative aimed at boosting economic growth by creating special economic zones around ports which would provide an array business incentives. This policy is designed to take advantage of the UK’s new economic freedoms following Brexit, contribute to the ‘levelling up’ agenda and support the country’s economic recovery from the Covid downturn.  The initiative will directly affect the landowners proposed to be included in the tax zones and customs zones and they have been fully involved in drawing up the bid.

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**When and how were people consulted?**

At its meeting on the 21<sup>st</sup> November 2022, Cabinet resolved that having due regard to the integrated impact screening assessment that:

- Members approve the submission of a bid for a Freeport covering the port of Port Talbot and the port of Milford Haven;
- Members grant delegated authority to the Chief Executive, in consultation with the Leader of Council to agree amendments to the Bid prior to its Full submission to the Welsh Government;
- Members approve Neath Port Talbot County Borough Council's nomination as the Accountable Body for the proposed Freeport; and
- Members authorise the Leader of Council to submit a letter to the Welsh Government reflecting Neath Port Talbot County Borough Council's support for a Freeport covering the port of Port Talbot and the port of Milford Haven; and
- Members authorise the Chief Executive in consultation with the Leader to take action as may be necessary to promote the merits of the Bid post submission up to the point of Ministers' decisions on the success/otherwise of the bid.

At its meeting on the 10<sup>th</sup> May 2023, Cabinet resolved that having due regard to the integrated impact screening assessment that:

- Members note the success of the Celtic Freeport in achieving Freeport status;
- Members approve the entering into of the Memorandum of Understanding;
- Delegated authority be granted to the Chief Executive (in consultation with the Leader and relevant Cabinet Member) to agree any minor variations to the proposed Memorandum of Understanding that maybe necessary;
- The Chief Executive of Neath Port Talbot Council be identified as the representative to the project board established pursuant to the Memorandum of Understanding and be granted delegated authority to make any decisions necessary pursuant to the objectives of the project board detailed in this report and be granted delegated authority to nominate an alternative to attend in her place, who shall be entitled to make any decisions necessary pursuant to the objectives of the project board as detailed in this report.

- Members note and endorse the role of Neath Port Talbot County Borough Council as Accountable Body;
- Approves the commitment of £250,000 revenue to prepare the Outline Business Case and Financial Business Case with the expectation that this contribution be recovered once retained business rates are flowing through the Freeport policy and notes any requests for additional financial commitment will be brought back to Cabinet for further approval;
- Approves the entering into of discussions with UK and Welsh Government for the preparation of Outline Business Case and Final Business Cases;
- Approves the entering into of any grant agreement between the Council and the UK/Welsh Government to receive public funds from the Government;
- Approves the establishment of a company limited by guarantee and the acquisition of a shareholding interest in the company. Notes that nomination of persons to act as director of the company limited by guarantee to be subject to a further report;
- Approves the procurement and appointment of external consultants necessary to produce the Outline Business Case and Final Business Case on behalf of Celtic Freeport on a cost recovery basis, with financial contributions being as identified in this report and where deemed appropriate by the Chief Executive (in consultation with the Leader and relevant Cabinet Member) to exclude requirements of the Contract Procedure Rules in the interests of ensuring appropriate individuals with experience of Freeports can be appointed;
- Delegated authority be granted to the Chief Executive to approve the allocation of funding of £250,000 from General Reserves to address any additional internal resource implications necessary to deliver the Freeport to FBC submission.
- Notes the requirement to establish suitable governance mechanisms to allocate the seed capital and retained business rates. A further report to be provided in due course to confirm the detail of such mechanisms.

The Freeport bid has been developed by the two local authorities, Associated British Ports and Milford Haven Port Authority, working in consortium.

Wider consultation has also taken place with a wide range of public and private sector organisations including business networks within the Freeport proposed area.

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**What were the outcomes of the consultation?**

Letters of support from such organisations have been received from:

- All landowners proposed to be included within the tax zones and customs zones
- Regional MSs
- Regional MPs
- Shadow ministerial teams
- Tom Pick
- Valero
- RWE
- EDF
- Blue Gem Wind
- Bombora
- Puma
- Tata
- Dragon LNG / Shell
- CJC - Swansea Council
- CJC - Carmarthenshire County Council
- Milford Haven Town Council
- Pembroke Dock Town Council
- Pembrokeshire Coast National Park Authority
- Haven Waterway Enterprise Zone
- The Regional Learning and Skills Partnership for South West Wales
- Local colleges- NPTC Group
- Swansea University, University of South Wales, University of Wales Trinity St Davids, Cardiff University
- SWIC
- RenewableUK Cymru
- Marine Energy Wales
- ORE Catapult
- H2 Wales
- UK Major Ports Group
- British Ports Association
- FSB

- PSB
- Local Economic Forum
- Economic Strategy Board
- FLEXIS
- TUC
- Celtic Sea Power
- Western Gateway
- Welsh Government

Landowners have also engaged as part of the development of Tax Site Delivery Agreements and feedback has been received in respect of draft documentation to which there will be an expectation that organisations enter into.

## 2. Evidence

### What evidence was used in assessing the initiative?

During the bid phase, partners have been pro-active in engaging with developers/investors and customers in our target sectors identifying Freeport contingent opportunities, and in agreeing a detailed vision for sites with land owners and refining boundaries, so that only the best land, focussed on the best opportunities is included.

Welsh government policy documents setting out an analysis of the capacity of UK ports to support the emerging off-shore wind energy sector – those documents identify both Port of Milford Haven and Port Talbot as uniquely placed to be able to support FLOW.

Welsh Index of Multiple Deprivation – 2019 data identifying areas of relatively high deprivation in the vicinity of both ports which then stand to benefit from the investment proposition.

LDP data – pre-application assessment of the proposed use of sites has been undertaken to establish the deliverability of the proposition together with potential impacts on biodiversity and environment with associated options to mitigate.

### 3. Equalities

a) How does the initiative impact on people who share a **protected characteristic**?

Protected Characteristic	+	-	+/ -	Why will it have this impact?
Age			X	<p>Freeport Policy aims to directly benefit those of working age who would have the opportunity to take up employment within the new jobs that the proposition is expected to create. Fair work principles will ensure the new jobs are secure and well paid helping to address socio-economic disparities within the local population.</p> <p>Further work will be needed during the development of the Outline Business Case to develop pathways to the new work for local people. It is expected that those pathways would cater for all people with protected characteristics to have equal opportunity to take up jobs in the new employment.</p>
Disability			X	
Gender reassignment			X	
Marriage & civil partnership			X	
Pregnancy and maternity			X	
Race			X	
Religion or belief			X	
Sex			X	
Sexual orientation			X	<p>Indirectly, Freeport policy suggests there is expected to be £0.5 billion of direct economic benefit for the two port areas with further economic benefit at significant scale expected to stem from FLOW. The impact on the wider economy and consequently all of those with protected characteristic and who are currently classified in the lower socio economic groups would benefit. More detail will develop as the proposition moves forward into future stages.</p> <p>There will be a requirement to establish a Freeport entity to operate the freeport. For the purpose of any future governance structure that would be embarked on, diversity would include, but is not limited to, skills and experience, gender, and ethnicity, to reflect the diverse nature of the environment in which the Freeport would operate and will be made in the context of the skills, knowledge, experience, background and independence that is required for any governance structure to be able to ensure effective delivery. A consultative</p>



				committee which would enable the participation of trade union representatives would provide a mechanism to further ensure there is equal opportunity for people who share a protected characteristic.
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**What action will be taken to improve positive or mitigate negative impacts?**

An outline business case will be required in accordance with HM Treasury Green Book rules. This will require development of a five case business case to support the proposition. This will necessarily include a full risk analysis with details of risk mitigations that would be established to optimise benefits and minimise disbenefits.

b) How will the initiative assist or inhibit the ability to meet the **Public Sector Equality Duty**?

<b>Public Sector Equality Duty (PSED)</b>	<b>+</b>	<b>-</b>	<b>+/-</b>	<b>Why will it have this impact?</b>
To eliminate discrimination, harassment and victimisation			X	Freeport policy will embrace the WG commitment to Fair Work and an economic contract would be developed between the Freeport and the WG. Trade unions will be integrated into governance arrangements.
To advance equality of opportunity between different groups	X			A Freeport Programme in Wales aims to help promote regeneration across local economies and communities by driving inclusive and sustainable growth locally, regionally and nationally.

			<p>Bringing together local organisations that are trying to achieve similar regeneration goals, pooling resources and creating shared objectives can be the best way to deliver outcomes that are truly transformative and achieve ‘levelling up’ across communities.</p> <p>Freeport policy aims to support work to decarbonise industry, housing and transport at local regional and national levels helping to meet the net zero carbon targets. Green economic growth will help to address structural issues of poverty and deprivation in the local and regional economy stimulating the local supply chain and increasing the skills and qualifications of the resident population.</p> <p>As part of the full business case development work will be undertaken to establish clear pathways to work for local people and local businesses. This will be designed in a way that would enable people from different groups to have equal opportunity to access the new employment this initiative is expected to create.</p>
<p>To foster good relations between different groups</p>	<p>X</p>		<p>Freeport policy aims to promote regeneration across local economies and communities by driving inclusive and sustainable growth locally, regionally and nationally.</p> <p>Green economic growth will help to address structural issues of poverty and deprivation in the local and regional economy stimulating the local supply chain and increasing the skills and qualifications of the resident population.</p> <p>By addressing the root causes of poverty and deprivation communities will be strengthened and become more cohesive. This will assist in discharging the duty to foster relations between different groups</p>

**What action will be taken to improve positive or mitigate negative impacts?**

As indicated above, there will be a requirement to prepare a full business case based on HM Treasury Green Book guidance. This will enable a fuller assessment of equality impacts to be undertaken together with any mitigating actions that can be designed to maximise beneficial impacts and reduce potential disbenefits.

#### 4. Community Cohesion/Social Exclusion/Poverty

	+	-	+/ -	Why will it have this impact?
Community Cohesion			X	<p>The Freeport Programme is designed to incentivise private businesses to invest in new opportunities in Wales, particularly in relation to climate resilience and making maximum progress towards decarbonisation. The Freeport Programme in Wales aims to build on existing local strengths and make the nearby Welsh cities, towns and villages even better places to live and work.</p> <p>A Freeport Programme in Wales aims to help to promote regeneration across local economies and communities by driving inclusive and sustainable growth locally, regionally and nationally.</p> <p>Bringing together local organisations that are trying to achieve similar regeneration goals, pooling resources and creating shared objectives can be the best way to deliver outcomes that are truly transformative and achieve 'levelling up' across communities.</p> <p>Areas in proximity to the areas proposed to be include in the Freeport are amongst the most deprived (10%) in Wales. Economic growth has the potential to transform these communities and to address the root causes of the poverty and disadvantage that people currently experience. The commitment to Fair Work and sustainability should ensure that new employment will be well paid and secure.</p>

Social Exclusion	X			As above – the detail will be further developed during the full business case development. The Welsh Index of Multiple Deprivation identifies lower super output areas within the vicinity of the Port Talbot sites proposed to be include in the Freeport as amongst the most disadvantaged in Wales (top 10%) and it is clear from the data that this affects people with a range of protected characteristics also.
Poverty	X			The whole essence of the proposition is to boost local and regional economic growth in an emerging green industry. Integral to the proposition is an intent to maximise benefit to local people and local supply chains with an underpinning commitment to Fair Work and sustainability. More detail of how these benefits could assist in addressing the root causes of poverty in the vicinity of the Freeport and across the county borough as a whole will be developing through the full business case stage.

**What action will be taken to improve positive or mitigate negative impacts?**

The outline business case will address HM Treasury Green Book requirements within which the analysis will identify the potential benefits/disbenefits of the proposition and suitable mitigation actions that would optimise benefits and minimise disbenefits.

**5. Welsh**

	+	-	+/-	Why will it have this effect?
What effect does the initiative have on: – people’s opportunities to use the Welsh language			X	There is no impact on the opportunity to use the Welsh Language. Any engagement of the local authority will be in accordance with our Welsh Language Standards.
– treating the Welsh and English languages equally			X	There is no impact on treating the Welsh language less favourably than English. Compliance will be had at all times to Welsh Language Standards, so far as they relate to the Council. Branding will be bilingual

What action will be taken to improve positive or mitigate negative impacts?
Branding and communications will be in accordance with Welsh Language Standards The use of the term Celtic Freeport and the associated strapline will promote a positive image of Wales and the Welsh language on a domestic and international platform.

**6. Biodiversity**

How will the initiative assist or inhibit the ability to meet the **Biodiversity Duty**?

Biodiversity Duty	+	-	+/-	Why will it have this impact?

To maintain and enhance biodiversity	X		<p>The existing energy clusters at Milford Haven and Port Talbot have a negative impact on the environment, including from noise and CO2 emissions. Pivoting activity on these sites towards green energy will reduce this impact, as well as supporting the UK's transition towards a lower carbon future.</p> <p>The development of the Freeport itself is being assessed to ensure any impacts on biodiversity can be fully mitigated and biodiversity enhanced. This will be subject to more detailed consideration at the full business case stage.</p>
To promote the resilience of ecosystems, i.e. supporting protection of the wider environment, such as air quality, flood alleviation, etc.	X		<p>Leading the transition to net zero is a priority for the region and a key theme across public and private stakeholders in the bid.</p> <p>Fundamentally, with a transition to renewables comparable and bigger than the existing fossil fuel based economy, the region is at risk of declining living standards and growing deprivation.</p> <p>Addressing decarbonisation is a key building block in the UK meeting its 2050 net zero target.</p> <p>The potential for our region centres on the opportunities presented by the energy transition. A Freeport has the potential to be a world class renewable energy structure.</p> <p>FLOW is the biggest opportunity that links the strategic ports of Milford Haven and Port Talbot. The region is uniquely placed to take advantage of the opportunities around green hydrogen which have strong synergies with the emerging FLOW opportunity. The stakeholders are already delivering hydrogen based projects in the region which a Freeport can accelerate.</p> <p>An additional opportunity is the development of CCS, which is a critical component in decarbonising the existing energy sector.</p>

**What action will be taken to improve positive or mitigate negative impacts?**

It is recognised that development on land that is currently not built out may potentially generate impacts, including increased freight volumes and activity on the seabed. A strong local planning system is central to mitigating these impacts. As part of the work programme, planning officers have been engaged to ensure all elements of the proposal make the necessary contributions to biodiversity gain and good care of the built and natural environment and this work will continue in the event a bid is successful. Through preplanning activities and engagement with potential developers, significant steps have already been taken to identify and mitigate any environmental impacts as early as possible.

**7. Well-being of Future Generations**

How have the five ways of working been applied in the development of the initiative?

Ways of Working	Details
<p>i. <b>Long term</b> – looking at least 10 years (and up to 25 years) ahead</p>	<p>A Freeport Programme in Wales aims to help to promote regeneration across local economies and communities by driving inclusive and sustainable growth locally, regionally and nationally. A Freeport aims to support the <u>Welsh Government’s Mission</u> to build a prosperous, green and equal economy based on the principles of fair work, sustainability, and the industries and services of the future. The Freeport aims to further enhance Wales’ ability to attract investment and new businesses, bringing growth and prosperity to some of our most deprived communities and supporting delivery of key economic growth commitments set out in the <u>UK Government’s Plan for Wales</u>.</p> <p>The Freeport programme seeks to generate commitment to supporting Wales becoming a more sustainable nation through improving the social, economic and cultural well-being of Wales, specifically applying the sustainable development principle designed to maximise contribution to achieve each of the Well-being goals as set out by <u>the Well-being of Future Generations (Wales) Act 2015</u>.</p> <p>The Freeport Programme aims to provide access to a mixture of financial incentives, embedded by good governance that supports a strong partnership between local, private and public sector</p>

	<p>stakeholders; with the support of both the Welsh and UK governments in attracting investment; and supporting a strong local and regional skills base.</p> <p>Freeport status could act as a catalyst for significant economic growth within the locality and the wider region linked to the emerging off-shore wind sector and wider renewables agenda. It will also support work to decarbonise industry, housing and transport at local regional and national levels helping to meet the net zero carbon targets. Green economic growth will help to address structural issues of poverty and deprivation in the local and regional economy stimulating the local supply chain and increasing the skills and qualifications of the resident population. This is a once in a generation opportunity to transform the local and regional economy, arresting and reversing the negative impacts associated with the long term decline of traditional industries in the areas.</p>
<p>ii. <b>Prevention</b> – preventing problems occurring or getting worse</p>	<p>The Freeport Programme in Wales represents a new opportunity to help Wales continue to develop a globally competitive, entrepreneurial, inclusive and sustainable economy, whilst building the strength and resilience to overcome economic shocks experienced during the COVID-19 pandemic. It represents a key commitment within the UK Government’s Levelling Up White Paper and will make a positive contribution to the Welsh Government’s commitments to the economy, fair work and the seven well-being goals set out in the Wellbeing of Future Generations (Wales) Act 2015 which deliver long term benefits to improve the economic, social, environmental and cultural wellbeing of Wales.</p> <p>The region’s economic challenges are linked with long term process of industrial change that is still ongoing. The industrial base in Pembrokeshire and Neath Port Talbot is reliant on fossil fuels which possess significant risks associated with the transition to net zero. As things stand there is a risk the industrial base will not be able to sustain green jobs for future generations and provide high value jobs to large parts of the population. This could have the potential to risk declining living standards and growing deprivation.</p> <p>The potential of the Freeport is that it is a unique opportunity that could fast track low carbon technology and decarbonisation focussed projects, contributing to the net zero agenda. Freeport status could trigger larger scale private investment from the renewables industry in the region and a Freeport will allow for these opportunities to be exploited. The scale of private investment to meet this opportunity could come with a Freeport.</p>



	<p>The UK is seeking to overturn the advantages overseas manufacturers have amassed through Government support, sunk costs, and accumulated economies of scale and extensive experience. The combines Freeport offer of land, tax incentives, coordination of planning, enabling infrastructure and skills/innovation investment is compelling to overseas investors.</p>
<p>iii. <b>Collaboration</b> – working with other services internal or external</p>	<p>On the 22<sup>nd</sup> March 2023, the Council received notification that, following a joint decision between the UK and Welsh governments, Celtic Freeport and Anglesey Freeport have been selected as the successful bids in the Welsh Freeport competition.</p> <p>The new Freeports will help to create tens of thousands of new jobs, boost business, and unleash potentially billions of pounds of investment in the local areas and beyond. Huge congratulations to the successful locations.</p> <p>Subject to the development and approval of a business case, the Freeports will each receive up to £26 million of Government funding. This is on top of a range of measures, including locally retained business rates to upgrade local infrastructure and stimulate regeneration. Businesses locating in these Freeports will be able to take advantage of tax reliefs and a simplified customs procedure, as well as a package of trade and innovation support.</p>
<p>iv. <b>Involvement</b> – involving people, ensuring they reflect the diversity of the population</p>	<p>Celtic Freeport has been developed by the two local authorities, Associated British Ports and Milford Haven Port Authority, working in consortium. Wider consultation has also taken place with a wide range of public and private sector organisations including business networks within the Freeport proposed area. Letters of support from such organisations will be included in the submission to the Welsh Ministers as indicated above.</p> <p>A broad programme of engagement will be developed with a view to maximising the benefits of the investment for local people and local businesses across the South West Wales region</p>
<p>v. <b>Integration</b> – making connections to maximise contribution to:</p>	<p>Celtic Freeport aims to secure a step change in renewable energy investment and support the zero-carbon industrial revolution in a way that works for our communities by creating new, high-quality jobs in the sectors of tomorrow and safeguarding the living standards of future generations.</p>

Our public and private bidding partners have taken a long-term, community-led lens, considering how our proposition can improve the ‘social, economic, environmental and cultural well-being of Wales’. Below we outline how the Freeport will support the seven well-being goals of the Well-being of Future Generations Act.

### **A prosperous Wales**

Celtic Freeport aims to deliver significant investment for Wales in innovative, low-carbon technologies in areas like FLOW, hydrogen, CCUS and biofuels. An example is Lanzatech’s pioneering process of converting CO<sub>2</sub> from Tata Steel into biofuels with applications in the aviation industry, with the support of Freeport tax measures.

Pembrokeshire County and Neath Port Talbot Councils have agreed to pool recycled business rates and the funding stream this can generate is transformational (c£0.5bn over 25 years based on English precedent). This funding could support, for example, vocational and academic offers at schools, colleges and universities in the region, helping to prepare future generations for the jobs the 21st century economy will require, as well as upskill adults already in employment, thereby maximising the labour market participation opportunity for the region and for Wales.

### **A resilient Wales**

The technology investment that Celtic Freeport could bring forward in areas like FLOW and green hydrogen will, over the medium to long term, support the accelerated reduction of carbon emissions in Wales’s largest industrial cluster. Moreover, by managing the transition away from a fossil-fuel based economy, it will reduce Wales’s exposure to demand-supply shocks of geopolitically vulnerable industries such as gas.

Celtic Freeport aims to help improve Welsh air quality, a cornerstone of the natural environment. Many of our proposed tax site locations are largely existing brownfield locations, minimising the impact of development on local biodiversity. Where impacts are identified, we have a track record of supporting and delivering mitigation measures.

### **A healthier Wales**

Celtic Freeport aims contribute to a reduction in air pollution throughout the South Wales industrial cluster (as the region transitions away from fossil-fuel based industries). This will have a number of

health benefits for local residents, including improved lung health and mental well-being. This will have knock-on economic benefits by keeping people healthier for longer.

#### **A more equal Wales**

Celtic Freeport seeks to direct significant private investment to areas adjacent to some of the most deprived communities in Wales. It will generate labour market and training opportunities (through private investment, landowner/developer commitments and recycled business rates) for local residents in these communities. The ensuing economic growth around the Freeport will help to tackle entrenched, inter-generational poverty, growing local productivity and wages.

Tax Site Delivery Agreements will commit landowners and employers to offering fair working conditions to employees, and the Freeport Company Board will have a designated diversity champion to ensure the Freeport has a positive impact on socio-economic disparities within the local population.

#### **A Wales of cohesive communities**

Increased investment and a growing local economy are often linked with increased community cohesion. Celtic Freeport aims to bring forward investment on brownfield sites that have long been stalled, regenerating iconic locations like the Baglan Energy Park. In order to open up these sites, enabling infrastructure like new roads and junctions will improve the connectivity of communities across the region.

#### **A Wales of vibrant culture and thriving Welsh language**

It is intended that recycled retained business rates will help support targeted vocational pathways in local schools and colleges, and these are likely to be bi-lingual. Moreover, by attracting new investment (and jobs) to the region, Freeport interventions aim to help to spread the Welsh language and culture.

	<p>Furthermore, increased economic growth can free up headroom in local and regional budgets to invest into culture and arts.</p> <p><b>A globally responsible Wales</b></p> <p>Delivering FLOW in the Celtic Sea will serve as a globally recognised proof of concept, and the Freeport supports our ambitions to be a 'first mover'. If conditions are right, Wales could become an exporter of FLOW technologies, not to mention green hydrogen, sustainable aviation fuel and other products.</p> <p>There will be significant global benefits from the step change in renewable energy investment delivered by Celtic Freeport. Decarbonising the South Wales industrial cluster is a critical step for Wales and the UK in meeting 2050 net zero targets. The Freeport will accelerate this and make the path to net zero more credible.</p>
<b>Council's well-being objectives</b>	<p>The proposition addresses all four of the Council's wellbeing objectives:</p> <p>New, green jobs, supported by accessible and good quality skills and learning pathways will help all children and young people have the best start in life; addressing the root causes of poverty by ensuring there are more, green and wellbeing jobs for local people will address inequality which in turn will help develop thriving and sustainable communities; the focus on decarbonising industry, housing and travel at scale will help conserve the environment for future generations. There is scope to capture the unique culture and heritage of former industries in the transition process to conserve this important part of the area's past for future generations also; fully the creation of many new, sustainable and well paid jobs will deliver the Council's ambitions to improve jobs and skills</p>
<b>Other public bodies objectives</b>	<p>The Council is working in consortium with Pembrokeshire Council. Consensus has been reached on the basis of this bid with both authorities agreed that a partnership across the two local authorities positions the wider region to take advantage of the Celtic Sea offshore wind opportunity.</p> <p>Both Pembrokeshire and NPT councils have promoted the Freeport opportunity within the South West Wales CJC. It is anticipated that the four local authorities within the region will wish to give greater focus to the opportunity that FLOW will potentially create for the whole region.</p> <p>Initial discussions with FE, HE and government partners have been very positive.</p>

## 8. Monitoring Arrangements

Provide information on the monitoring arrangements to:

Monitor the impact of the initiative on Equalities, Community Cohesion, the Welsh Measure, Biodiversity Duty and the Wellbeing Objectives.

The award of a Freeport is a significant investment decision for UK and Welsh governments. The delivery of the Freeport policy objectives will need to be reported to the governments in return for the investment that accompanies the Freeport status.

### 9. Assessment Conclusions

Please provide details of the conclusions reached in relation to each element of the assessment:

	<b>Conclusion</b>
<b>Equalities</b>	The overall impact is expected to be positive. More work is needed in the full business case development to ensure equal opportunity to participate in new employment and supply chain opportunities.
<b>Community Cohesion/ Social Exclusion/Poverty</b>	The economic development that could be created through the Freeport Bid and associated FLOW opportunities has the potential to address the root causes of poverty and deprivation caused by long term decline in former industries. In the full business case development it will be crucial to ensure that strategies are developed to maximise the benefits locally and regionally and to minimise any disbenefits.
<b>Welsh</b>	Branding will be bilingual and actively promote a positive image of Wales. This will be delivered on both a domestic and international platform. The conduct of the business of the Freeport will respect the WG policy objectives to create a million Welsh speakers by 2050

<b>Biodiversity</b>	The Bid has the potential to significant accelerate decarbonisation across the region. Negative impacts on environment and biodiversity can be mitigated and achieve a net beneficial impact.
<b>Well-being of Future Generations</b>	The Freeport Bid, linked to FLOW and the wider renewable energy agenda contributes in a positive and material way to the overall objectives of the Wellbeing of Future Generations Act. It is possible to address each of the wellbeing goals in a specific and positive way and to make clear link between the initiative and the sustainable development principle. This is considered to be a once in a generation opportunity to improve the economic, cultural, social and environmental wellbeing of the people in NPT.

### Overall Conclusion

Please indicate the conclusion reached:

- **Continue** - as planned as no problems and all opportunities have been maximised
- **Make adjustments** - as potential problems/missed opportunities/negative impacts have been identified along with mitigating actions
- **Justification** - for continuing with the initiative even though there is a potential for negative impacts or missed opportunities
- **STOP** - redraft the initiative as actual or potential unlawful discrimination has been identified

Please provide details of the overall conclusion reached in relation to the initiative

<p><b>CONTINUE</b></p> <p>Further development of the proposition will take place as part of the development of the outline business case and full business case.</p>
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### 10. Actions

What actions are required in relation to obtaining further data/information, to reduce or remove negative impacts or improve positive impacts?

<b>Action</b>	<b>Who will be responsible for seeing it is done?</b>	<b>When will it be done by?</b>	<b>How will we know we have achieved our objective?</b>
Ensure the public sector duties are firmly embedded in the development of the outline and full business cases	Chief Executive	By conclusion of the Full Business Case	Evidence in the Full Business case that all of the public sector duties are expressly addressed
Further assessment of the impact of proposed development on the local environment and biodiversity	Head of Planning and Public Protection.	Will need to be addressed within any planning process	Planning consent is granted and any conditions are effectively and full discharged

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