Edinburgh and South East Scotland City Region Deal Joint Committee

10am, Friday 24 June 2022

Forth Green Freeport Bid

Item number 6.4

Executive Summary

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Report

Forth Green Freeport Bid

1. **Recommendations**

- 1.1 To formally homologate the bid, which was submitted to Government on 20 June.
- 1.2 To note that the bid was endorsed by the City Region Deal's Elected Member Oversight Committee at its meeting on 10 June and that a formal letter of support from the City Region Deal's Regional Enterprise Council (which represents business, social enterprise and the wider third sectors across the region) was included as part of the submission on 20 June.

2. Background

- 2.1 A Green Freeport is a large, zoned area within a defined boundary which includes a rail, sea or airport. Operators and businesses in the zone can benefit from a package of tax and other incentives through a combination of devolved and reserved levers.
- 2.2 Green Freeports are designed to boost innovation and inclusive growth within communities, while supporting Fair Work First practices, creating new green jobs, upholding the highest environmental protections and supporting economic transformation.
- 2.3 On 22 March 2022, the Scottish Government, working in partnership with UK Government, published a <u>prospectus</u> for a bidding process for up to two Green Freeport designations to be awarded in Scotland through an open, transparent and competitive process.
- 2.4 Green Freeport bids must demonstrate that they will contribute to four key policy objectives:
 - promoting regeneration and high-quality job creation;
 - promoting decarbonisation and a just transition to a net zero economy;
 - establishing hubs for global trade and investment; and
 - fostering an innovative environment.

3. Main report

- 3.1 The bid for the Forth Green Port draws together a cohesive partnership between public and private sector partners across the Firth of Forth: including the relevant local authorities, higher/further education institutions and the private sector.
- 3.2 The bid is based on the principle that to achieve Scotland's 2045 net zero target, urgent action and a credible plan is needed to decarbonise the Firth of Forth. Across the Outer Boundary, the Firth of Forth accounts for over 40% of Scotland's industrial emissions. The Forth Green Freeport can be the driving force of Scotland's decarbonisation plan.
- 3.3 The bid states that the Forth Green Freeport would create a green growth corridor across Central Scotland and beyond. Under-developed land would be provided, which would sustainably generate green business growth with export potential through the nation's logistics centre,
- 3.4 The following sites are proposed to develop innovative clusters, and deliver supply chain opportunities in diverse sectors to secure a just transition to net zero:
 - Leith: To create Scotland's largest offshore renewable energy hub. Delivering new manufacturing facilities, port infrastructure upgrades and green incubators to drive SME and start-up business growth.
 - **Grangemouth:** Build on strengths as Scotland's largest port and principal export hub and regenerate the petrochemical cluster for a net zero transition.
 - **Rosyth:** Support innovative manufacturing and shipbuilding and strengthen the nation's agri-bulks hub by expanding and creating new trade routes to continental Europe.
- 3.6 The bid was submitted at the deadline of 20 June. Details of the bid were presented to the City Region Deal's Elected Member Oversight Committee on 10 June and the Regional Enterprise Council (which represents business, social enterprise and the wider third sectors across the region) on 17 June. Both groups endorsed the bid, and a signed letter of support from the Regional Enterprise Council was included as part of the submission on 20 June.
- 3.7 The winning bids will be announced later in summer 2022. If successful, the Forth Green Freeport submission will be developed into an Outline Business Case in the autumn and will be shared in draft form with all regional partners. The first Green Freeport in Scotland is expected to be fully operational by spring 2023.

4. Financial impact

4.1 The bid states that a Forth Green Freeport would act as a catalyst for the reindustrialisation of Scotland, attracting significant investment into key industrial infrastructure for the future economy, and growing an innovation ecosystem for SMEs across the Firth of Forth. It would spread the economic benefits of the net zero transition across the region, with high-quality, green jobs created in local areas and skills development for local communities supported.

- 5. Alignment with Sustainable, Inclusive Growth Ambitions
- 5.1 The bid states that the Forth Green Freeport would: make a major contribution to Scotland's Net Zero carbon emissions target, support innovation in net zero technologies including offshore wind, hydrogen, and sustainable aviation fuels; and build Scotland an export base grounded in green growth.

6. Background reading/external references

- 6.1 Green Free Ports: Scottish Government website
- 7. Appendices

None.