**Interim Governance Board #2**

**10 A.M.**

**13th September 2023**

**TEAMS**

**Notes of the Meeting**

**Board Members in attendance:** **Also in attendance:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Charles Hammond OBE | Interim Chair |  | Laura McIntyre | PMO / Secretariate |
| Stuart Wallace | Forth Ports |  | Nicola Dowrick | UK Government |
| Andrew Gardner | INEOS |  | Ben Jones | Scottish Government |
| Paul Kettrick | Falkirk Council proxy for Malcolm Bennie |  | Pamela Stevenson | Fife Council |
| Sean Donaldson | Babcock Rosyth |  | Eilidh Callum | PMO (observing) |
| Paul Lawrence | City Of Edinburgh Council |  | Steve Revell | PMO (observing) |
| Ken Gourlay | Fife Council |  | Erin Law | Forth Ports |
| William McAlister | Muir Group proxy for Ronnie Muir |  | Scott Taylor | Freeport Hub |
| Amanda Templeman | Falkirk Council (Accountable Body) |  | Pamela Smyth | Forth Ports |
| Brigadier Andrew Muddiman | Ministry of Defence |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Distribution List** |  |  |  |  |
| Kyle Drummond | City of Edinburgh Council |  | Paul Kettrick | Falkirk Council |
| Andrew Sim | Fife Council |  | Callum Spreng | Spreng Thomson |
| Steve Revell | Falkirk Council |  | Ross Jubin | Scarborough Muir Group |
| Patrick Carnie | Babcock International |  | Euan Dobson | Scottish Enterprise |
| Elin Williamson | City of Edinburgh Council |  | Ben Jones | Scottish Government |
| Derek Knox | Forth Ports |  | Gordon Robertson | Edinburgh Airport |
| Pamela Smyth | Forth Ports |  | Pamela Stevenson | Fife Council |
| Angus Gray | Calachem |  | Erin Law | Forth Ports |
| John Stevenson | Forth Ports |  | Colin Pritchard | INEOS |
| William McAllister | Scarborough Muir Group |  | Debbie Johnston | Spreng Thomson |
| Nicola Dowrick | UK Government |  | Patrick Carnie | Babcock International |

|  |  |  |
| --- | --- | --- |
| 1 | **Welcome and Introductions**  Charles welcomed all to the 2nd meeting of the Forth Green Freeport Interim Board | CH |
| 2 | **Board Governance**  **Apologies and Proxies**  William McAlister is proxy for Ronnie Muir with authorisation for voting received by secretariate. Paul Kettrick is proxy for Malcolm Bennie with authorisation received by secretariat.  No apologies  **Accuracy of Notes**  Sean Donaldson asked for a point of clarity on Freedom of Information requests. (FOI), it was confirmed that named people and organisations will be informed when we receive a FOI request.  The notes of Meeting #1 were confirmed as accurate  **Matters Arising**  The target date for submission of OBC has moved to the 14th of November following review by OBC development group  A slide deck has been appended to the papers that details the key principles for the OBC and to further the Boards understanding.  Paul Lawrence would like to discuss Subsidy Control.  **Actions from Meeting #1**  The Local Authorities paper on Elected Members on the board has been tabled and to be discussed at agenda item 4  Induction training for Board– we failed to manage to set dates due to busy diaries and summer leave and this will be revisited by PMO  All other actions will be covered by Stuart in his report. | CH  SW |
| 3 | **Report from the Chair of Steering Group**  Stuart Wallace updated on progress.  Key points for the Board to note:  **OBC submission**  The PMOhas secured additional staff resource and is progressing the OBC at pace.  The Steering Group will come back to the Board with a more comprehensive report and to ensure that the Board is very clear on the commitments it is signing up to.  Areas where we felt we are a bit behind particularly Net Zero and Innovation have now caught up.  OBC submission date is now 17th November 2023 and considered achievable.  An Executive Summary is to be prepared for the Board.  **Local Authority Governance**  The City of Edinburgh Council will take a report to the Policy and Sustainability Committee on the 24th of October. Falkirk Council will take a report to the Council Executive Committee on the 17th October and Fife Council will take a report to Cabinet Committee in January 2024. Charles requested a timetable be drawn up showing committee dates leading up to 14th November. KPMG will produce outputs/outcome report based on LA areas.  Stuart and Laura will produce a decision-making timetable for the Board.  **Tax sites**  Burntisland and Leith are now coming together as Mid-Forth Tax Site. The MOD have joined the Board as a landowner and HMS Caledonia land at Rosyth will be included in the Rosyth Tax Site. The Leith Tax site is now smaller to ensure we stay within the 600 hectares limit. Stuart confirmed there will be no impact on manufacturing and SME capacity at Leith. We need to firm up the legal agreements for Tax site beneficiaries.  **Customs Sites**  We do not have a Customs site confirmed yet, but are continuing talks with a potential site in Grangemouth  **Planning**  Led by Erin Law - Good progress has been made on planning and we are moving towards an agreed protocol with Scottish Government. Planning Case studies have been prepared to inform this protocol. This is out for consultation with planning colleagues. Andrew Muddiman would like to be brought up to date. Thanks to Erin and the Trade and Investment Working Group for all their hard work.  **Fair Work and Skills**  Led by Elin Williamson - There has been further mapping on skills in preparation for the FBC and further refinement to the Fair Work Charter for the OBC. This was previously tabled and accepted by the Board pending further refinement. The commitment to a skills fund by landowners has been reconfirmed. Paul L sought assurance that OBC will show firm arrangements for legal agreements with investors to ensure fair work and skills commitments.  **Seed Capital / Subsidy Control**  Led by Paul Kettrick and supported by Steve Revell (Falkirk) and Andy Sim (Fife), the list of shortlisted projects has been tabled for in principle for approval of the board. There is some additional work and refinement on the cost / benefit ratio particularly in relation to AGIC. Paul Lawrence is concerned about the impact of subsidy control.  Subsidy control is being worked through with the Infrastructure Communities and Place Board and also with the Freeports teams in both Scotland and England and is a recognised gate prior to final approval for seed capital funding. Paul Kettrick as lead for this area, assured the Board that we have been given guidance by Brodies and we have a comprehensive checklist to manage the gateway. All seed capital projects are subject to further checks and balances prior to Full Business Case (FBC).  **The Board agree that the Seed Capital projects are approved in principle subject to subsidy control approval and approval of any other legislative gateways that we encounter.**  **Net Zero**  Led by Colin Pritchard, the Net Zero group is developing a strong Net Zero case based on all major partner commitments to Net Zero strategies.  **Governance and Assurance**  No major changes are being made, beyond the inclusion of the MOD and further work on the OpCo structure  **Economic Case**  KPMG continue to work on the Economic Case and we are awaiting final submission from the working groups by close of play today. The Economic case is stacking up nicely with benefits in line or above the bid levels.  **Financial Case**  We are looking at the cost structure of the PMO and the OpCo with proposal to ask for a landowner contribution to the PMO and OpCo. There are many different options used in England, and this model is used in Plymouth and other Freeports. As retained rates come forward, we can revisit the budget and contributions. The first tranche of development funding (RDEL) has been drawn down and 2nd tranche is being drawn down this financial year. The 3rd tranche of RDEL will only part fund the costs in 2024/25. A workshop takes place on Monday to discuss in more detail.  **Setting down of the Green Freeport Statutory Instrument**  HM Treasury are aware of indicative timetable and will take direction and steer from government colleagues on OBC approval and will then set up a timetable for the statutory instruments to be laid. Still working towards launch of Green Freeport in Spring 2024  **Next steps**   1. Final inputs to OBC inputs from all working groups 2. Executive Summary to be issued 3. Timetable for decision making 4. Continue with peer review of OBC   **Issues to be resolved:**  1. Budget  2. NDR availability to Green Freeports, it is a fundamental issue for Green Freeports in Scotland – Amanda and Laura have been leading on this and collaborating with Inverness and Cromarty and a letter has been sent to the Scottish Government, setting out the issues. We have been told that this is being dealt with as a priority. This is essential to getting approval from Elected Members as well as the Board. Charles is willing to broker political input to the process if required.  **Recruitment of Chair**  Looking to notify those on the shortlist potentially 3 or 4 candidates so we are not at liberty to share the short list. However we have very strong candidates and will be doing interviews 21st September. | SW  EL/ LMcI/  SW  EL/SW  EL |
| 4 | **Issues for the Board**  **Elected Members on the Board** (paper tabled)  Proposed by Paul Kettrick – the proposal is that the Chair would write to the Chief Executives and Leaders of all 3 Councils to invite them to field a suitably qualified candidate. It is further proposed that the Elected Member would be accompanied by a non- voted Senior Official from each Council. It is acknowledged, that there may be instances where the representative would have to refer back to their respective Councils particularly on financial and policy matters directly affecting Councils.  **The paper is approved by the Board.**  **Risk Register**  The key risks have been covered in the register and mitigations are in place, the main risk of concern is that of NDR as detailed above. | MB  CH |
| 5 | Next Board Meeting 1 p.m. to 3 p.m. on the 27th of October at Ineos, Inchyra Road, Grangemouth |  |
| 6 | Any other Business – no other items raised. Thanks to Stuart and the Steering Group for excellent progress so far. | All |

**Action Log**

|  |  |  |
| --- | --- | --- |
| **Task** | **Date** | **By** |
| Induction training for Board | 30 Nov 2023 | LMcI |
| Firm up the legal agreements for Tax site beneficiaries. | FBC submission | SW/ LMcI/EL |
| Make progress on Customs Site | FBC submission | SW/EL |
| Bring Brigadier Andrew Muddiman up to date on planning proposals | 30 Sept 2023 | EL |
| Progress the financial case for FGFP | By OBC | LMcI/SW/AT |
| Apply for 2nd tranche of RDEL funding | 31 Dec 2023 | LMcI |
| Executive Summary to be issued to the Board | 27 October 2013 | LMcI /SW |
| Timetable for decision making | Included | LMcI/SW |
| Further refinement to Governance and Assurance once OpCo structure has been agreed. | 30 Sept 2023 | LMcI/SW |
| Apply for 2nd tranche of RDEL | Dec 2023 | LMcI |
| Recruit Chair | 31 Oct 2023 | SW |
| Write to Council Chief Execs and Leaders of all 3 Councils to ask for consideration of Elected Members for the Board | 30 September 2023 | CH/LMcI |
|  |  |  |

**Decision Making Timetable**

|  |  |  |
| --- | --- | --- |
| **Date** | **Forum** | **Ask** |
| 17 October 2023 | Falkirk Council Executive | That the Council notes progress on the OBC |
| 24th October 2023 | City of Edinburgh Council Policy and Sustainability Committee |  |
| 27th October 2023 | Forth Green Freeport Interim Board | That the Board signs of the OBC for submission |
| January 2024 | Fife Council Cabinet Committee |  |