

## Response ID ANON-3DZF-Y4WT-F

Submitted to Green Freeports in Scotland bidding portal  
Submitted on 2022-06-20 10:25:53

### Before you start

#### Introduction

Do you agree to the privacy notice?

I have read and agree to the privacy notice:  
Yes

#### Applicant information (1/2)

What is your name?

This should be the name of the person who will be filling in the Green Freeports application form.:  
[REDACTED]

What is your email address?

All correspondence will be sent to this email address.:  
[REDACTED]

#### Applicant information (2/2)

1.1 Please submit a proposed name for your Green Freeport. This should clearly distinguish it from any other potential Green Freeport proposals.

Green Freeport Name :  
Forth Green Freeport

1.2 Please provide the name and contact details for the Senior Responsible Officer for the programme.

Enter the officer's name and contact details here::

[REDACTED]

Chief Operating Officer, Forth Ports

[REDACTED]

Carron House, Dock Road, Grangemouth FK3 8TY

1.3 To assist us in considering the impacts of your proposal, please provide us with information on the impacts you have identified against each of the nine protected characteristics. This information will not be subject to an assessment process. If you have any supporting documentation on the impact of your proposal please upload it to the SharePoint folder (optional).

Please enter your answer here (250 words max.) :

Forth Green Freeport (FGFP) will prioritise the inclusion of protected groups in contributing to, and benefiting from, the investments secured by green freeport levers. Industries targeted for investment in Scotland's green freeport policy have historically had relatively lower rates of representation of protected characteristics. Without direct action, the direct jobs created by FGFP levers would likely create disproportionately more jobs for male employees (77%) and create disproportionately fewer jobs for youth (8%), ethnic minorities (2%) and people with disabilities (12%). Proactive efforts from FGFP to correct this imbalance will include:

- Age - Skills investments will be accessible to people of all working age groups. Young people will benefit from partners' commitments to schools' outreach, apprenticeships, scholarships, and bursaries. Older populations will benefit from in-work up-skilling investments in virtual reality (VR) and simulation technology.
- Disability - Disability-inclusive hiring practices, together with access to funding for skills bursaries will encourage open access to employment for people with disabilities.
- Sex - Access to funding for skills bursaries will be prioritised for women through preferential scoring in applications.

FGFP Governance Board will set quantitative 'Social Impact Key Performance Indicators (KPIs)', to track impacts against the nine protected characteristics. Adoption of a clear inclusive hiring policy for all businesses operating in FGFP will expand opportunities, enhance quality of work and reduce stigma in the communities around the Forth Estuary.

#### Gateway Criteria (1/5)

1.4 Please upload the following pdf files legible at A3 to the SharePoint folder you have received a link for:

1.5 Please also upload an ESRI Shapefile or Vector Geopackage version of each map uploaded at 1.4 to the SharePoint site.

1.6 Please provide evidence (e.g. letters) that landowners have signed up to your vision for the proposed tax site, associated land use, and will take appropriate steps to ensure development on the site aligns with the Green Freeport's objectives and those of the wider Green Freeports policy. Evidence should be uploaded to the SharePoint folder.

Please explain how and why government can have confidence that the tax site will be delivered in line with your vision. (250 words max.) :

Evidence from landowners attached on sharepoint

#### Gateway Criteria (2/5)

1.7 For each customs site, please upload a signed letter from the site operator confirming that:

1.8 Please upload written confirmation of support for your application from your local authority or local authorities and (if you have their endorsement) Regional Economic Partnership (REP). The only mandatory signatories required from the leader of local authorities to pass the pass/fail are:

1.9 Explain how your Green Freeport Outer Boundary represents a credible, coherent economic geography? Please provide clear rationale.

Please enter your answer here (500 words max.) :

The outer boundary encompasses a 45km-wide corridor of sites of national economic significance along the Forth Estuary. More than 70% of Scotland's population lives within an hour's drive of the outer boundary, strengthening FGFP's ability to secure prosperity across Scotland. [REDACTED]

[REDACTED]

The Northern and the Southern limits of the boundary include key arterial networks that support movement within the immediate geography. [REDACTED]

[REDACTED]

#### Gateway Criteria (3/5)

1.10 Please provide rationale for all proposed customs sites, including:

Please enter your answer here (500 words max.):

[REDACTED]

[REDACTED]

1.11 Does your Green Freeport propose any customs sites outside the Outer Boundary? If yes, please provide a written submission with clear and specific reasoning justifying such additional proposals and how it relates to the wider Green Freeport.

If yes, please provide a written submission with clear and specific reasoning justifying having a customs site outside the outer boundary (300 words max.):

n/a

1.12 N.B: This question has been deleted. Please refer to the clarification questions published on the 19th of April 2022 for details.

Gateway Criteria (4/5)

1.13a Please provide clear economic rationale for the tax site(s), including an explanation for the proposed location(s) and why it represents good value for money.

Please enter your answer here (200 words max.):

[REDACTED]

[REDACTED]

1.13b Please provide the management approach to each tax site.

Please enter your answer here (200 words max.) :

[REDACTED]

1.13c Please provide clear economic rationale for how tax measures will generate additional economic activity and how this aligns with the local sectoral vision.

Please enter your answer here (200 words max.) :

[REDACTED]

1.13d Please provide clear economic rationale for how your proposed tax sites meet the criteria for being underdeveloped and what works are required on the tax sites.

Please enter your answer here (200 words max.):

[REDACTED]

[REDACTED]

Gateway Criteria (5/5)

1.14 How does the tax site locations mitigate displacement of local economic activity from disadvantaged areas?

Please enter your answer here (500 words max.) :

FGFP will minimise the risk of displacement by targeting investment opportunities which require the specific infrastructure and expertise available at the tax sites. [REDACTED]

[REDACTED]

# [REDACTED]

All three Local Authorities display

pockets of high deprivation near to the FGFP sites:

- Near the Port of Grangemouth, three data zones rank in the top decile of deprived areas in Scotland and Grangemouth Bowhouse ranks in the 5% of most deprived areas.
- In Fife, 97 of its data zones are in the top 20% of deprived areas, with multiple zones in the upper quintile near Dunfermline, and two by the port of Burntisland.
- In Leith, six data zones next to the Western Harbour listed as in the 20% most deprived areas in Scotland. One data zone is in the 5% most deprived in Scotland.

FGFP will target investment from sectors that are not heavily present in the surrounding areas of West Lothian, Stirling, and Clackmannanshire. Targeted clusters in logistics, manufacturing and offshore wind are different to the primary sectors present in the three adjacent local authorities. In West Lothian and the Stirling and Clackmannanshire City Deal regions, the largest employing sectors are education, retail trade and construction.

The large travel to work area means that FGFP is likely to benefit neighbouring areas directly and via supply chains. 26% of West Lothian residents work in City of Edinburgh council area, and so site-dependent job creation in Edinburgh Airport and Leith sites should directly create employment opportunities for residents of West Lothian.

FGFP will actively monitor and manage risks of displacement from the nearby areas of West Lothian, Stirling and Clackmannanshire. Representatives from these surrounding Local Authorities have been engaged through development of the FGFP bid; and will be invited as observers in FGFP Governing Body, to raise risks and issues around regional displacement [REDACTED]

# [REDACTED]

1.15 Please set out how you will meet the minimum standard of security and infrastructure required in customs and tax sites before being able to operate as a Green Freeport.

Please enter your answer here (500 words max.):

FGFP is committed to safety and security across its sites. The Governance Board will develop, from our existing standards and protocols, security standards for tax and customs sites via a security working group which will co-opt Security Managers from each site operator to advise on standards, disseminate knowledge, and monitor compliance. Service Level Agreements will be confirmed between the Governance Board and tax and customs site operators to uphold these standards. Individual operators will remain responsible for implementing security arrangements and liable for any breaches.

FGFP will be committed to combating illicit activity, including anti-trafficking. All customs sites will adhere to the OECD Clean Free Trade Zone Code and the voluntary standards such as Money Laundering Regulations (2017), the UK Corporate Governance Code and firm-level standards in place across partner organisations. Our experience of implementing customs and tax site security in port infrastructure will enable us to implement these standards quickly and confidently on all our proposed FGFP sites.

# [REDACTED]

Detailed application information - Criteria A, B, C, & D

2.1 Please upload a diagram of a logic model which gives an overview of the links between the activities and inputs, outputs, outcomes and impact of your proposed Green Freeport model. (max. 50Mb file limit.)

Please confirm this has been completed :

Yes

2.2 Referring to the logic model and section 2 of the prospectus, please explain how your Green Freeport proposal will meet Scottish and UK Government objectives and achieve the desired outcomes listed in this prospectus? Please complete this as a Word document and upload to the SharePoint (max. 5000 words incl. 250 word executive summary). As part of your answer, please cover:

Please confirm this has been completed :

Yes

#### Detailed application information - Criterion E (1/4)

3.1 Describe the local authority current or planned planning applications for each tax, custom and key investment site. For each site please provide the following:

3.2 Please upload an Implementation Plan. This could take the form of a pictorial diagram, Gantt chart, timeline, flowchart or other graphical representation. (max. 50Mb file limit)

3.3 Please provide a written submission contextualising your Implementation plan, which sets out:

Please enter your answer here (1000 words max.):

The implementation plan is based on reasonable assumptions of market conditions which inform our expectations around the investment timetable. Actual timelines will vary based on commercial demand.

Milestones will manage effective delivery and create accountability to FGFP Governance Board. Milestones are linked to the essential activities which enable FGFP to deliver the four green freeport objectives. A selection of key milestones from the detailed project plan are listed below in Table 1.

Table 1 Key milestones in the Green Freeport project plan

Date Milestone

[REDACTED]

The timeline is ambitious but feasible. Anticipating a decision on successful bids published by September 2022, we will shortly begin building the Outline Business Case (OBC). The interim FGFP Governance Board will be established in parallel, to provide an organisational structure with the capacity and capability to deliver the detail required in the OBC. Governance Board sub-committees will not be established until the completion of the full business case (FBC), but engagement with key members will begin during the OBC, to build the required detail around thematic strategies including net zero, trade and investment, and fair work.

FGFP will quickly deliver an industrial and economic transformation to the Firth of Forth. [REDACTED]  
[REDACTED]

The OBC and FBC process will also help to facilitate conversations between tax and customs site operators and local authorities on the development and implementation of masterplan consent areas (MCAs) to improve the efficiency of planning conversations during development of FGFP sites.

[REDACTED] private investment that delivers regeneration, jobs, and skills to local communities. FGFP partners will further develop a net zero strategy for FGFP operations.

Costs of delivering seed funding and land development projects have been informed through engagement with relevant infrastructure and engineering staff within the tax and customs site landowners. All seed funding requests have been match funded in principle with contributions from public and private sector to ensure that projects deliver a commercial benefit and value for money.

Governance arrangements at FGFP will support successful delivery of the green freeport at pace. We will install an interim, then permanent Governance

Board of 11 voting members (with additional observers who can flag external risks and issues), comprising a mix of public and private sector. The Governance Board will establish a range of sub-committees accountable for delivering Net Zero and Innovation, Skills and Fair Work, Infrastructure and Communities, and Trade and Investment. During the development phase, the Governance Board will transition from interim to permanent, an independent chair will be recruited, and the Operating Company will be incorporated as a company limited by guarantee. The Operating Company will be accountable to the Governance Board and be responsible for marketing and investment promotion; coordination of sub-committees; management and distribution of funds, including the Skills Fund; and monitoring, reporting and evaluation.

Governance Board sub-committees will develop roadmaps and strategies to achieve each of the Green Freeport objectives, working jointly where objectives overlap. [REDACTED]

[REDACTED]

FGFP is well equipped to deal with delivery risks through a risk management framework. Further details of this approach are included in 3.8 below. FGFP will be exposed to three main risks which threaten the successful delivery of the project: market risks, private investment risks and governance risks. The implementation plan is designed to minimise these risks through strong governing structures, an accelerated kick-off phase and experienced delivery partners.

[REDACTED]

#### Detailed application information - Criterion E (2/4)

3.4 Please describe, with reference to your implementation plan when you will undertake activities set out in your response to question 2.2 that focus on regeneration and high-quality job creation.

Please enter your answer here (400 words max.):

The FGFP will deliver rapid, lasting regeneration to the deprived areas around Green Freeport sites by creating up to 50,000 high-quality jobs in Scotland and the rest of the UK, unlocking £6bn investment into productive, resilient industries.

The primary method for promoting regeneration will be securing tax site designation in 2023, with supporting seed funding attracting large individual investments, encouraging rapid commercial expansion at the three tax sites. Tax and customs sites will be supported by a strong marketing campaign aimed at international and UK investors in targeted sectors. This will be operational by Q2-2023 to drive industrial cluster development. Large, cornerstone investments will incentivise development of an SME supply chain network. A significant pipeline of investment, secured between 2023 and 2033 will give a competitive advantage to the Firth of Forth in the foundations of the new green economy.

FGFP tax site operators will contribute £2.1m between 2023 and 2028 to a Skills Fund. The Fund will help communities access jobs created by green freeport levers, through initiatives described in 2.2 above. It will enhance the local skills base, equip workers of all backgrounds with the future-ready skills to support commercial expansion, and drive sustained increases in productivity. Active outreach to under-represented groups and those lacking skills to access jobs will deliver inclusive growth and support the Just Transition Commission's National Outcomes of Skills, Education and Jobs.

[REDACTED]

3.5 Please describe, with reference to your implementation plan when you will undertake activities set out in your response to question 2.2 that focus on decarbonisation and a just transition to a net zero economy.

Please enter your answer here (400 words max.):

[REDACTED]

3.6 Please describe, with reference to your implementation plan when you will undertake activities set out in your response to question 2.2 that focus on establishing trade hubs.

Please enter your answer here (400 words max.):

[REDACTED]

3.7 Please describe, with reference to your implementation plan when you will undertake activities set out in your response to question 2.2 that focus on fostering innovation.

Please enter your answer here (400 words max.):

[REDACTED]



[REDACTED]

Detailed application information Criterion E (3/4)

3.8 Please upload a risk management framework that shows how your governance board will manage risks to the SharePoint folder.

3.9 Please outline your preferred investment proposal including:

3.10 Please provide evidence of the commercial demand for:

Please enter your answer here (500 words max.):

[REDACTED]

[REDACTED]

Detailed application information - Criterion E (4/4)

3.11 What considerations and mitigating actions will be taken into account for potential negative externalities (including the displacement of local economic activity from nearby disadvantaged areas) affecting your site and/or the surrounding area resulting from the introduction of the Green Freeport?

Please enter your answer here (500 words max.):

[REDACTED]

• Job displacement: due to existing skills deprivation in the area, there is a concern that FGFP activity will result in job displacement and a creation of skills mismatch as a result of decarbonisation processes. FGFP will monitor risks of displacement of potential investments and adopt several mitigation strategies. [REDACTED]

[REDACTED] Displacement externalities will also be managed by including regional growth bodies and surrounding local authorities in the FGFP Governing Body as observer members. These organisations can raise concerns and risks around displacement, for which the voting members of the Governance Board can then take action to mitigate.

• Environmental externalities: all investments will be screened for environmental impact before construction takes place to monitor negative impacts on air quality, ecology, noise, light, and transport. Furthermore, all water-based investments (such as the Leith outer berth and proposed land reclaim) will be subject to marine licensing and will follow the Scottish standards of the Special Protection Areas (SPAs), Sites of Special Scientific Interest (SSIs), and RAMSAR.

• Water pollution: FGFP will aim to minimise pollution impacts of increased on-water traffic. We will encourage fossil-fuel related traffic to be replaced by vessels using new fuels of the future (including hydrogen [REDACTED]) cleaner ships and cargoes to replace existing stock. [REDACTED] We expect

[REDACTED]

• Noise pollution: all construction activities will follow relevant local authority guidance on construction to prevent noise pollution. All industrial investments are planned on the zones identified for industrial use in the relevant local development plans, reducing the risk of noise pollution for local communities.

• Road traffic: this is a considerable risk for local communities as increased economic activity will likely increase road traffic. Investments in road infrastructure will be balanced by corresponding improvements in rail and water-based transport [REDACTED]

[REDACTED] to ensure increased trade does not create congestion nor increased emissions. [REDACTED] [REDACTED]

The infrastructure and activity; and make

recommendations to local authorities on how best to use retained non-domestic rates to mitigate these issues. These investments to mitigate risks of increased road traffic should also help mitigate concerns around reductions in air quality around areas of increased economic activity.

3.12 Please explain how your proposals will ensure compliance with all applicable environmental regulations and standards and if applicable, what further environmental standards will you stipulate and how will these be met?

Please enter your answer here (750 words max.):

FGFP partners are well-placed to ensure that development will comply with all applicable environmental standards, as demonstrated by their track records and close alignment with local planning teams through this bid process. Partners bring strong records, commitments, and credentials to deliver positive environmental outcomes and mitigate the potential risks (see response 3.11).

FGFP partners are fully compliant with all environmental regulation and standards, are signatories to the Sustainable Freeports Commitment and will pursue World Free Zone Organization's Green Zone Accreditation if successful. All three ports have ISO 14001 Certification for their Environmental Management System (EMS), ensuring compliance of their sites through audit programmes and monitoring of key environmental indicators (including air quality, water quality, marine and terrestrial ecology).

Green freeport partners have significant experience of developing major infrastructure assets requiring implementing both Harbour Empowerment Orders and Development Consent Orders. Both planning regimes have required a significant amount of work in the biodiversity area including creating significant habitat areas both on and off site and dealing with protected species. Any development in FGFP will conform with local government legislation, but also with wider strategic policy direction, including Biodiversity Net gain and local nature recovery strategies.

Local Authorities are fully committed to environmental mitigation efforts. [REDACTED]

[REDACTED]

All FGFP partners are committed to net zero by 2045 or sooner. [REDACTED]

[REDACTED]

FGFP partners will adhere to all applicable air pollution regulations under the Pollution Prevention and Control (Scotland) Regulations 2012. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Detailed application information (4. Criterion F: A high level of private sector involvement in the proposal)

4.1 Describe the primary types (including size and sector) of business:

Please enter your answer here (500 words and 10 SIC codes max.):

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4.2 Please describe any formal agreements or commitments you have from businesses or other partners to support port and business development. Please upload any supporting documentation to evidence these commitments to the SharePoint folder. Bids that demonstrate genuine and tangible long term commitments from partners will score more highly.

Please enter your answer here (500 words max.):

# [REDACTED]

Commercial partners

# [REDACTED]

Before you Submit

Please confirm you have uploaded the relevant documents/information to your SharePoint folder:

Q1.4, Q1.5, Q1.6, Q1.7, Q1.8, Q2.1, Q2.2, Q3.1 (table), Q3.2, Q3.8, Q3.9 (table), Q4.2

Important: Applicants must submit material for all sections of 5.6 (Applicant information) and 5.7 (Gateway criteria). There will be no opportunities to submit additional information or documentation for this section. Any bids that do not pass every stage of 5.7 will not proceed to detailed application assessment. Are you sure you would like to proceed?

I would like to proceed with my application :

Yes

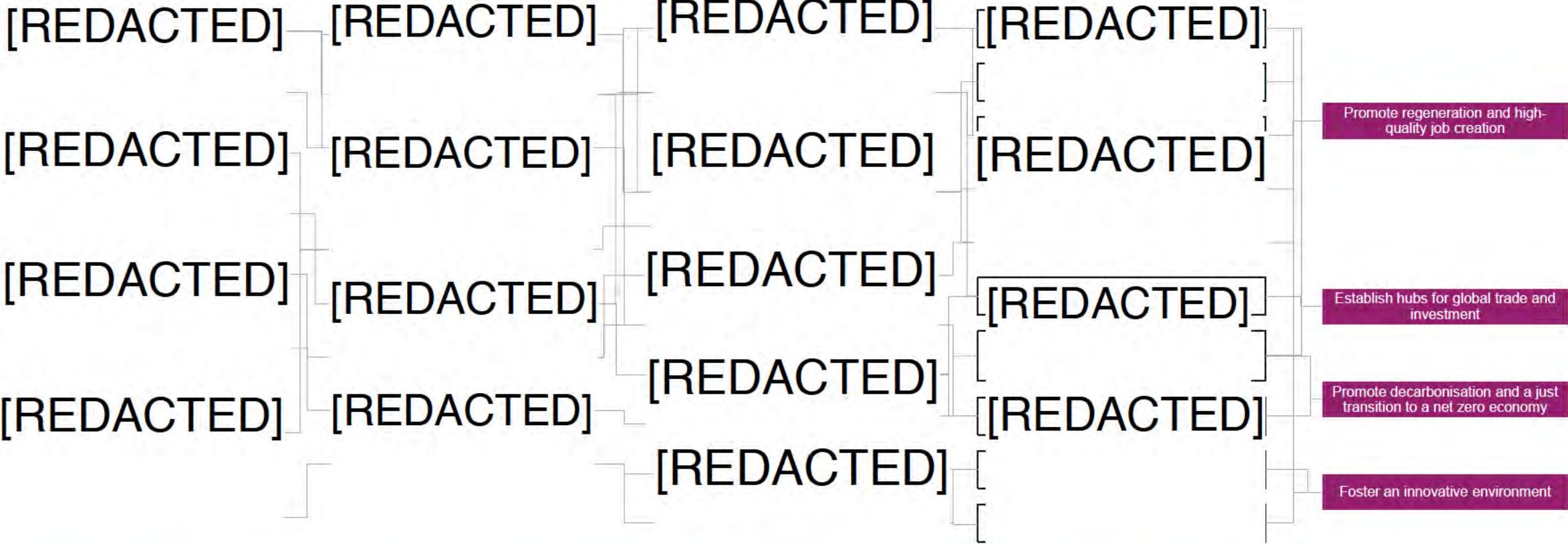
**Inputs**

**Outputs**

**Outcomes**

**Impacts**

**Objectives**



[REDACTED] [REDACTED] [REDACTED] [REDACTED]

## Green Freeport narrative [4,987/5000 words]

### Executive summary [250/250 words]

FGFP is Scotland's only opportunity at scale to deliver a just transition to net zero by 2045, attract inward investment (£6bn), build trade, create well paid jobs with skills (50,000 jobs) and address areas of significant deprivation within our communities.

FGFP will deliver a just transition for Scotland's industrial heartland [REDACTED]  
[REDACTED]  
[REDACTED]

The FGFP area generates 40% of Scotland's industrial emissions – a net zero Scotland will not be possible without significant investment in the Forth Estuary. We will address this to achieve the 2045 target, without damaging the economy of Scotland.

# [REDACTED]

[REDACTED]  
[REDACTED]

hotbed for innovation and create well-paid, high-quality jobs in some of the most deprived areas of Scotland, addressing the need for wealth retention and place creation in areas closest to industrial activity.

[REDACTED]  
[REDACTED]

The FGFP is fully aligned with ESES City Region Deal and the Falkirk Growth Fund.

### Core answer [4,746/4,750 words]

#### **A green freeport is the right public intervention for our proposed locations**

**The Forth Green Freeport (FGFP) will be the most cost-effective route to delivering investment required for Scotland's just transition to net zero by 2045.** FGFP will use green freeport levers to deliver net zero technologies quickly and at scale. The Forth Estuary is uniquely placed to drive Scotland's decarbonisation: our combination of expertise and industrial infrastructure is stronger than at any other location in Scotland. Green freeport levers will facilitate a refocus of this world-leading infrastructure and expertise into developing essential innovations, [REDACTED]

**FGFP will use green freeport levers to unlock £6bn of investment, delivering an increase in gross value added (GVA) of £4.2bn and creating up to 50,000 jobs across the UK.** The scale is large, [REDACTED]

[REDACTED]

The green freeport incentives are the right levers to deliver the 'Forth industrial revolution' and support redevelopment of FGFP sites at pace, and the Forth Estuary is the right location to grow the targeted sectors. Investors will use green freeport levers as follows:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The identified sites and sectors also align closely with the strategic aims of the supporting Local Authorities. [REDACTED]

[REDACTED]



## How FGFP aligns with relevant government strategies

FGFP has the potential to be a key driver of many national and local plans for development and sustainability. Key areas of alignment include:

■ **Levelling Up** – FGFP will relieve pockets of deprivation in areas around the port sites by increasing the number of quality jobs and introducing skills programs to improve pathways to job market access. Local authorities will use retained business rates to invest in place-based regeneration [REDACTED]  
[REDACTED]

- **National Strategy for Economic Transformation** – The core theme of the Economic Transformation strategy is about securing a just transition through investment, skills, and innovation. FGFP is a perfect example of just transition in action: transforming the hydrocarbon-focused infrastructure across the Forth Estuary to preserve and create jobs while pivoting to less emissions-intensive activity.

■ **Scotland's Vision for Trade** – [REDACTED]  
[REDACTED] put local companies ahead of the maturity curve for global markets. They will test approaches with UK demand, and then scale up exports rapidly once the international markets mature, [REDACTED]  
[REDACTED]

- **Scotland's Inward Investment Plan** – Our proposal plans to attract up to £6bn of inward investment. We have a strategy in place to maximise the spillovers from major investments, [REDACTED]  
[REDACTED]

■ **Scotland's Hydrogen Action Plan** – [REDACTED]  
[REDACTED] support Scotland's strategy to make Scotland a leading nation by 2045 [REDACTED]  
[REDACTED]

- **National Planning Framework 4** – The investments proposed at FGFP tax sites align with the vision of the NPF4 National Spatial Strategy. The Firth of Forth is mentioned under the theme of Central Urban Transformation, 16, saying “key ports in this area can play a central role in supporting the expansion of renewable energy.”
- **UK National Shipbuilding Strategy** – The strategy aims to create a “globally successful, innovative and sustainable shipbuilding enterprise that works for all parts of the UK.” [REDACTED]  
[REDACTED]

## How FGFP will support green freeport objectives

### A. Promote regeneration and high-quality job creation

**FGFP will level up and promote regeneration by creating quality, well-paid jobs; re-investing the benefits of the green freeport into local community infrastructure; modelling an enterprise culture of fair work; and investing in local skills development.**

**FGFP sites are located in areas of persistent economic deprivation:**

- Incomes in Falkirk are 5% below the rest of Scotland and unemployment is 7% above average. 4,680 children live in low-income families and 58% of people in poverty live in working households.
- In Fife, incomes and rates of unemployment are 23% below and 17% higher than the rest of Scotland, with 17% of employees earning below the Living Wage. Around Burntisland, 14.5% of the population are income deprived and 11.2% are employment deprived.
- Edinburgh North and Leith have pockets of high deprivation near the Port of Leith. Unemployment is 4.3%; nearly double the City of Edinburgh average, whilst 21% of children Leith ward live in poverty, of which 65% live in working households.

**Green Freeport levers could create up to 50,000 gross jobs across the UK.** <sup>[REDACTED]</sup>

[REDACTED]

[REDACTED]

**These jobs will be quality, well-paying, and sustainable.** Analysis of the direct jobs created by FGFP shows that the wages provided for these jobs will be significantly higher than the median wage of each region, by 23% in Falkirk, 15% in Fife and 7% in the City of Edinburgh.

**FGFP will approach attracting businesses by focusing on the unique aspects of the sites.**

FGFP will approach businesses that need access to the specific infrastructure of our sites

[REDACTED]

– minimising the risk of displacement. The

Trade and Investment sub-committee of the FGFP Governance Board will create a strategy to direct investment promotion and align it with local authority and chambers of commerce activities. A set of FGFP investment principles will be developed to ringfence fiscal support for investors that will support green freeport objectives including net zero and fair work first principles.

[REDACTED]

**Employers in FGFP will commit to upholding the principles of Fair Work First.** The FGFP investment principles will ensure that tenants availing of tax benefits will be expected to embed Fair Work practices. Our bid covers all major aspects of the Scottish Government's guidance of fair working practices, including:

- **Effective voice** – We will have employee representatives on the FGFP skills and fair work sub-committee, which can elect one voting representative to the Governance Board to represent employees' voices.
- **Workforce development** – FGFP tax site operators will deploy a Skills Fund to create the skills for tomorrow using our knowledge of today.
- **Inappropriate zero-hours contracts** – All investors wishing to avail of tax site benefits will be expected to adhere to fair work first principles on inappropriate zero hours contracts. This will be reflected in the FGFP investment principles.
- **Inclusivity** – All FGFP employers will commit to inclusive hiring practices, and this will be reflected in FGFP investment principles.
- **Real living wage** – All tax site landowners currently pay the real living wage to employees. FGFP investment principles that any investor wishing to avail of FGFP tax reliefs will be expected to commit to paying the real living wage.

**Skills**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**B. Promote decarbonisation and a just transition to a net zero economy**

**Scotland has just over 20 years to deliver national decarbonisation across its industries and energy supply.** FGFP provides an unmissable opportunity to support decarbonisation of Scotland's industry in the first 25% of the transition period. FGFP will be essential to Scotland's delivery of net zero, with 40% of Scotland's industrial emissions (and 10% of total emissions) currently being emitted across the FGFP outer boundary.

[REDACTED]

[REDACTED]

FGFP will make use of existing infrastructure and skills, securing a just transition for local communities, and giving Scotland a head-start on the global stage for innovation in green technologies. [REDACTED]

[REDACTED]

FGFP Governance Board will look to develop a detailed decarbonisation strategy through the business case process that will build on partners' existing plans. [REDACTED]

[REDACTED]

**FGFP and partners are committed to a deliverable 2045 net zero plan.** The FGPF Governance Board Net Zero and Innovation sub-committee will ultimately oversee activities to develop a decarbonisation plan for the green freeport. Tax site landowners will work closely with local authority planning regulations and construction contractors to identify potential environmental impacts and design approaches for mitigation. We will adhere to principles of biodiversity net gain to balance any potential harms from development.

**All FGFP partners are committed to delivering net zero by 2045, or sooner.** [REDACTED]

[REDACTED]

[REDACTED]

**Additionally, all tax site investors wishing to avail of tax benefits must demonstrate compliance with Scotland's 2045 net zero target.** Any business not able to demonstrate their commitment will not be able to access the benefits, as will be upheld by the FGFP Governance Board and its investment principles.

### **Reducing emissions from trade**

**Innovative low-carbon infrastructure investments in FGFP will reduce emissions from trade.** [REDACTED]

[REDACTED]

[REDACTED]

### **C. Establish hubs for global trade and investment**

**The FGFP vision for trade is to first establish key industrial sites in priority sectors, and then to build on these strengths to service demand for renewable energy technologies in global markets.** To aid connectivity to global markets, FGFP Governance Board will have a standing sub-committee on trade and investment. The indicative membership of this committee includes Scottish Enterprise, Scottish Development International, the Department for International Trade, the Connected Places Catapult, and the Department for Business Energy and Industrial Strategy.

**FGFP will unlock additional investments in port activity at all FGFP sites, improving the competitiveness of Scotland's trading offer.** [REDACTED]

[REDACTED]

FGFP will establish the Firth of Forth as a global site for investment in cutting-edge technologies that can open up more opportunities for trade and export. [REDACTED]

[REDACTED]

#### **D. Foster an innovative environment**

The FGFP model for growing innovation is to encourage bottom-up growth of ideas and continuous improvement from businesses with a top-down strategic coordination, prioritisation and support network. This support will be a core part of the FGFP Governance Board, with a net zero and innovation sub-committee who will nominate a voting member to the Board.

[REDACTED]

[REDACTED]



**[REDACTED]**

Milestones, timelines, critical interdependencies, and sequencing		Key party	2022			2023			2024			2025			2026			2027			2028			2029			2030			2031			2032		
			1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1
Bid submission process	Submit bid to establish Forth Green Freeport	Forth Green Freeport Working Group	[Gantt bar: Q1 2022 - Q1 2022]																																
	Decision on designation of Forth Green Freeport	Scottish and UK Governments	[Gantt bar: Q2 2022 - Q2 2022]																																
Governance	OBC guidance issued and delivery of OBC	DLUHC, Scottish Government	[Gantt bar: Q3 2022 - Q3 2022]																																
	FBC guidance issued and delivery of FBC	DLUHC, Scottish Government	[Gantt bar: Q4 2022 - Q4 2022]																																
	Finalise business cases for seed funding and business rate investment projects	Forth Green Freeport Governance Board, Fife Council, Falkirk Council, City of Edinburgh Council	[Gantt bar: Q1 2023 - Q1 2023]																																
	Establish interim governing board to prepare OBC	[REDACTED] Fife Council, Falkirk Council, City of Edinburgh Council	[Gantt bar: Q2 2023 - Q2 2023]																																
	Recruit independent board chair	Green Freeport Interim Governing Board	[Gantt bar: Q3 2023 - Q3 2023]																																
Business case development including additional responses	Transition from interim governing board to permanent governing board	Green Freeport Governing Board	[Gantt bar: Q4 2023 - Q4 2023]																																
	Develop detailed resourcing plan	Green Freeport Interim Governing Board	[Gantt bar: Q1 2024 - Q1 2024]																																
	Formation of operating company	[REDACTED]	[Gantt bar: Q2 2024 - Q2 2024]																																
	Selection of consultants to support process	Green Freeport Interim Governing Board	[Gantt bar: Q3 2024 - Q3 2024]																																
	Develop business case with key departments	Green Freeport Interim/Permanent Governing Board	[Gantt bar: Q4 2024 - Q4 2024]																																
Investment Plan as part of OBC/FBC	Validation of business rates assumptions	Green Freeport Interim Governing Board	[Gantt bar: Q1 2025 - Q1 2025]																																
	Develop monitoring and evaluation plan	Green Freeport Governing Board	[Gantt bar: Q2 2025 - Q2 2025]																																
	Further develop detail on consideration of all groups with protected characteristics	Green Freeport Interim Governing Board	[Gantt bar: Q3 2025 - Q3 2025]																																
	Further review key sectors/strengths for promotion	[REDACTED]	[Gantt bar: Q4 2025 - Q4 2025]																																
	Develop international trade marketing strategy	[REDACTED] DIT	[Gantt bar: Q1 2026 - Q1 2026]																																
Business case approved, funding awarded	Prioritise projects and develop supporting business cases for seed and Business rates funding	Green Freeport Interim/Permanent Governing Board	[Gantt bar: Q2 2026 - Q2 2026]																																
	Further develop private investment proposal	[REDACTED]	[Gantt bar: Q3 2026 - Q3 2026]																																
Tax sites	Identifying externalities, where other parties and funding sources are also involved	Green Freeport Interim/Permanent Governing Board	[Gantt bar: Q4 2026 - Q4 2026]																																
	Procure seed funding and business rate projects	Green Freeport Operating Company/Fife Council/Falkirk Council/City of Edinburgh Council	[Gantt bar: Q1 2027 - Q1 2027]																																
	Review and confirm sites with Scottish and UK government	Scottish Government/HMT/HMRC/Site operators	[Gantt bar: Q2 2027 - Q2 2027]																																
	Develop sites and infrastructure including marketing	Site operators	[Gantt bar: Q3 2027 - Q3 2027]																																
	Establish gateway policy and investment principles	Green Freeport Interim/Permanent Governing Board	[Gantt bar: Q4 2027 - Q4 2027]																																
Customs sites	Support investment and onboard tenants to full suite of Green Freeport services (e.g. Skills Fund)	Site operators/Freeport Operating Company	[Gantt bar: Q1 2028 - Q1 2028]																																
	Review and confirm sites with Scottish and UK government	Scottish Government/HMT/HMRC/Customs site operators	[Gantt bar: Q2 2028 - Q2 2028]																																
	Establish primary customs site	Customs site operators/HMRC	[Gantt bar: Q3 2028 - Q3 2028]																																
	Operators seek authorisation	Customs site operators/HMRC	[Gantt bar: Q4 2028 - Q4 2028]																																
	Net Zero and Innovation	Engage with Green Freeport innovation network sub-committee members	Green Freeport Engagement Network/Green Freeport Operating Company	[Gantt bar: Q1 2029 - Q1 2029]																															
Develop framework for net zero and innovation network sub-committee		Green Freeport Operating Company/[REDACTED]	[Gantt bar: Q2 2029 - Q2 2029]																																
Develop roadmaps for focus areas and overall decarbonisation target		Net zero and innovation sub-committee/[REDACTED]	[Gantt bar: Q3 2029 - Q3 2029]																																
Form innovation network to identify and coordinate innovation investments		Network of businesses, academia, and public sector	[Gantt bar: Q4 2029 - Q4 2029]																																
Development and use of regulatory sandboxes		[REDACTED] FREN	[Gantt bar: Q1 2030 - Q1 2030]																																
Planning	Annual seminar - convene innovation network sub-committee members with FREN	Green Freeport innovation network sub-committee/FREN	[Gantt bar: Q2 2030 - Q2 2030]																																
	Annual alignment meeting - convene sub-committee members with Just Transition Commission	Green Freeport Net Zero sub-committee	[Gantt bar: Q3 2030 - Q3 2030]																																
	Establish and agree planning mechanism for tax/customs site areas	[REDACTED] Fife Council, Falkirk Council, City of Edinburgh Council	[Gantt bar: Q4 2030 - Q4 2030]																																
	Obtain planning permission/consent for development plans	[REDACTED] Fife Council, Falkirk Council, City of Edinburgh Council	[Gantt bar: Q1 2031 - Q1 2031]																																
	Skills fund	Establish structure, parties and terms of reference	Green Freeport Interim Governing Board	[Gantt bar: Q2 2031 - Q2 2031]																															
Engage with Green Freeport skills and fair work sub-committee members		Green Freeport Engagement Network/Green Freeport Operating Company	[Gantt bar: Q3 2031 - Q3 2031]																																
Develop framework for skills and fair work sub-committee		Green Freeport Operating Company/Forth Ports	[Gantt bar: Q4 2031 - Q4 2031]																																
Develop roadmaps for delivery of skills across the Freeport		Green Freeport skills and fair work sub-committee	[Gantt bar: Q1 2032 - Q1 2032]																																
Test and review the delivery of skills		Green Freeport skills and fair work sub-committee	[Gantt bar: Q2 2032 - Q2 2032]																																
Trade and investment strategy	Establish and capitalise Forth Green Freeport Skills Fund	Green Freeport Operating Company, site operators	[Gantt bar: Q3 2032 - Q3 2032]																																
	Engage with Green Freeport Trade and Investment sub-committee members	Green Freeport Operating Company, Fife College, Forth Valley College, Edinburgh College, Fuel Change	[Gantt bar: Q4 2032 - Q4 2032]																																
	Develop framework for Trade and Investment sub-committee	[REDACTED]	[Gantt bar: Q1 2033 - Q1 2033]																																
	Develop roadmaps for focus areas	Green Freeport Trade and Investment sub-committee [REDACTED]	[Gantt bar: Q2 2033 - Q2 2033]																																
	Develop and finalise trade and investment strategy - including communication and marketing strategy	Forth Ports, Site Operators, DIT, Scottish Development International	[Gantt bar: Q3 2033 - Q3 2033]																																
Trade and investment strategy	Continual review of international trade promotion strategy	Green Freeport Operating Company, DIT, Scottish Development International	[Gantt bar: Q4 2033 - Q4 2033]																																
	Engage prospective investors, with DIT, Scottish Development International	Site operators, DIT, Scottish Development International	[Gantt bar: Q1 2034 - Q1 2034]																																

### 3.8 Risk management framework [file upload, no word limit]

**We are committed to managing the security, investment, and delivery risks of FGFP.** We have designed a comprehensive risk management framework with three key components: a robust and inclusive governance structure, management arrangements, and risk assessment.

**The proposed FGFP Governance Structure is detailed below.** It will be organised in four layers: a Governing Body to identify and discuss key issues of Green Freeport delivery; a Governance Board with executive voting and oversight responsibilities; a number of sub-committees responsible for developing and implementing strategies for delivery; and an Operating Company responsible for the delivery of the required Green Freeport services including implementation of sub-committee strategies, security, reporting, and other secretariat services. The Governance Board will be an unincorporated body bound by a detailed terms of reference, with voting and oversight responsibilities over the operating company. We intend for the Operating Company to be an incorporated body, in order to carry out any relevant procurement functions on behalf of FGFP. The operating company will also manage and refresh the risk assessment, identifying and implementing appropriate mitigation actions. The Operating Company will be accountable to the Governance Board.

#### **Governance Approach**

**Our proposed governance arrangements demonstrate our commitment to provide leadership, strategy, and oversight to the successful delivery of FGFP and its downstream investments.** The Governance Board will be responsible for overseeing delivery of the four Green Freeport objectives. These governance arrangements have been developed to build on the successful experience of recent regional development initiatives in the Firth of Forth, including the launch of the ESES City Region Deal, and the Scottish Local Authority Economic Development Committee.

**We propose for the Governance Board to be made up of 11 voting members, with a mix of public and private sector experience.** The Governance Board will be formed in line with the requirements of the National Local Growth Governance Framework (NLGGF) for Local Enterprise Partnerships. Proposed membership is as follows:

- 1 seat for an independent voting chair, to be recruited following due process. The chair will be appointed through an open, robust and independent process. The chair will ensure that the output of the FGFP meets the objectives, and that communities can derive benefits from the FGFP.
- 4 seats for tax site landowners: [REDACTED]
- 3 seats for local government representatives: Falkirk Council, Fife Council, City of Edinburgh Council
- 1 seat for a representative from the trade and investment sub-committee. This committee will include regional representatives and so could be filled on agreement by

one of Edinburgh and South East Scotland Regional Economic Partnership, or Forth Valley Regional Economic Partnership.

- 1 seat for an appointed net zero and innovation representative. This representative will be elected by the members of the net zero and innovation sub-committee.
- 1 seat for an appointed skills and fair work representative. This representative will be elected by the members of the skills and fair work sub-committee.

**We will also invite several non-voting members to observe Governance Board activity.**

We understand that displacement is a concern for neighbouring local authorities in West Lothian, Stirling, and Clackmannanshire. These local authorities will be able to join in an observer role within the main Governing Body. Political representatives, including MPs/MSPs, will also be invited as observer members. Observer members may also include other tax and customs site landowners [REDACTED]

**Decisions will be made by simple majority and casting vote to the chair.** The Governance Board may make recommendations to the relevant local authorities on the focus of public spending through retained business rates, however the ultimate decision-making responsibility for public spending will remain with the local authorities themselves. Falkirk Council will be the accountable body for the spend of all seed funding grants.

The proposed functions of the Governance Board include:

- **Strategic Leadership:** provide leadership required to deliver the ambitious scale of investment and return FGFP will generate for Scotland and the UK more widely. The Governance Board will have the strategic oversight to ensure the delivery of the outcomes and objectives of the Green Freeport, including integration with local economic strategies.
- **Investment promotion and marketing:** oversee investment promotion support by the operating company to attract new domestic and foreign investment, ensure a consistent minimum service level for investors, complementing existing investment promotion support services offered by operators of individual sites.
- **Oversee Green Freeport delivery, including policy levers:** oversee the investment of seed capital (with Falkirk as the accountable body). The Governance Board will work with local authorities to apply fiscal incentives to new, additional investment in tax sites and minimise displacement. It will set and uphold the investment principles that will restrict the types of investment that will be installed on tax sites. It will make recommendations to local authorities on priorities for reinvesting retained business rates. It will consider and endorse applications for wider government infrastructure funding in support of the Green Freeport objectives and complementary priorities.
- **Risk management:** introduce risk management framework to identify risks such as environmental, operational, financial risks. The Governance Board will assign responsibility for managing and mitigating these risks. The core principles of a risk management strategy will include consideration of potential items and compiling of risk and opportunity templates to capture the scenarios and current position; profiling of risk

and opportunity scenarios against a matrix that measures impact and likelihood; consideration of any further planned action requirements and time frames to manage the position

- **Foster innovation:** supported by the operating company, establish a Net Zero and Innovation Committee; endorse recommended proposals for UK innovation funding.
- **Monitoring and evaluation (M&E) and reporting to DLUHC and Scottish Government:** submit regular monitoring reports (including annual audits), prepared by the Secretariat, on the delivery of the Green Freeport, in line with the monitoring and evaluation plan. The business case, co-developed with DLUHC and Scottish Government, will set out data requirements for inclusion in the regular monitoring reports.
- **Promote, set, and monitor security standards:** each site operator will be responsible for security on their sites. To support operators to achieve a consistent level of security, the Governance Board will convene a Security Working Group with tax and customs site operators and agree a set of standards which site operators will be obliged to comply with.
- **Promote and monitor compliance with environmental standards:** consider accreditation with the World Free Zone Organisation 'Green Zone' programme or equivalent; set a series of minimum environmental standards and priorities which site operators will be expected to adhere to.
- **Promotion of skills and fair work:** provide strategic direction to the Skills Fund initiatives, implemented by the operating company. It will approve disbursements from the Skills Fund to support local programmes. It will promote the adoption of the Real Living Wage across the Green Freeport and uphold the Fair Work First principles across the Green Freeport sites.

**To deliver these responsibilities, the Governance Board will establish a range of sub-committees with a broader membership to guide and coordinate delivery against distinct topics.** These sub-committees will be open to external bodies, with proposed list of sub-committees and potential member organisations as listed below. Full lists of members for sub-committees will be decided through the business case process.

- **Net zero and innovation** – Scottish Just Transition Commission; BEIS; Minister for Just Transition, Employment and Fair Work, tax site operators; Connected Places Catapult (who can draw in other Catapults as necessary); Higher Education innovation partners  
[REDACTED] Scottish Enterprise; Fuel Change, Scotland 5G Centre.
- **Skills and fair work** – Skills Development Scotland: local FE colleges [REDACTED]  
[REDACTED] Universities [REDACTED]  
[REDACTED] an employee representative body (which will include trade unions); FGFP employers [REDACTED] Fuel Change.

- **Infrastructure and communities** – Local authorities; communities’ representative; Scottish Government planning and architecture service; FGFP landowners.
- **Trade and investment** – [REDACTED] Scottish Development International; Scottish Enterprise; DIT; BEIS; ESES Regional Economic Partnership; West Lothian, Stirling, and Clackmannanshire Councils.

## Management Arrangements

The management arrangements for the delivery of FGFP are set out for the business case development phase and the operational phase.

The development phase (2022-23) will prepare outline and full business cases in coordination with DLUHC and Scottish Government; and establish the interim Governance Board.

FGFP has appointed independent project managers to coordinate this bid process. Project sponsors and points of contact have been nominated at all site operators and local authorities. A bid steering group has been established consisting of proposed Governance Board members and further regional public and private sector stakeholders. This has been formalised for the bid in a memorandum of understanding. These arrangements will be the foundation for the membership of the FGFP interim Governance Board for business case development. The FBC will be approved and submitted by Falkirk Council as the accountable body.

Following completion of the FBC, FGFP will enter the operational phase. At this stage an Operating Company will be incorporated. It will have two to four FTE to jointly cover responsibilities including: marketing and investment promotion, coordination of the sub-committees, administration of the Skills Fund; monitoring, reporting and evaluation; and administrative support to the Governance Board.

The Governance Board will introduce a risk register to identify risks and opportunities that might affect the operations. The register will categorise risks and allocate them to specific owners within workstreams, assigned to risks owners. The register will include risks relating to Governance, Tax and Customs Site management, Business Case development, Seed Funding, private Investments, planning, and wider external factors. The Governance Board will maintain an up-to-date risk register and review it every six months.

## Risk register

**The operating company will also oversee and refresh a risk register for FGFP.** FGFP will deliver an auditable but creative risk management culture. Local authorities will undertake risk monitoring for public funding and projects; and will adopt a common approach to risk monitoring and reporting to the Governance Body. Key types of risk that we would expect to be monitored closely will include:

- **Governance and management risk:** friction or capability constraints within the FGFP leadership team could result in poor decision-making. A strong governance model helps mitigate these risks, with the Governance Board bringing diversity of experience and an

independent Chair providing commercial acumen and accountability. Clearly assigned processes and responsibilities enable effective decision-making.

**Skills shortages:** without rapid development of a local skills base, the Green Freeport's vision will be challenged. [REDACTED]

[REDACTED]

- **Private investment risk:** the benefits of a Green Freeport would be lessened if private investment is lower than anticipated. Green Freeport partners' ability to commit significant investment under Green Freeport designation, and letters of compelling commercial demand, significantly mitigate this risk. Stakeholder consultation and sensitivity analysis ensures forecasts are realistic.
- **Market Risk:** Investor engagement will target a diverse range of industries to minimise market risks. The ports have minimised supply chain disruption and demonstrated resilience throughout COVID-19.
- **Other:** including site (planning, security, and delivery) technology, reputation.

Table 2 Risk register

Category	Description of risks	Owners	Mitigations
Governance and management risks	Investments being approved for incentives that do not match principles	Before business case development, FGFP Steering Group	The Governance Board will have effective power to ensure continued alignment towards Freeport objectives, such as clawback mechanisms on public funding or tax benefits. Board disagreement will be mitigated by an odd number of members and the casting vote of the independent chair.
	Disagreement among governance board on ways to proceed	During business case development, Interim Governance Board	The steering group and latterly, Governance Board will manage the business case process following due process from DLUHC and Scottish Government. Draw from experience of three local authorities in designing programme business cases for regional development such as the ESES City Region Deal.
	Inappropriate use of seed funding or retained business rate spend	After FBC sign off, Permanent FGP Governance Board	The independent chair will manage risks of board capture or lack of focus on objectives.
	Individual commercial interests of partners removes focus from Green Freeport objectives.		Falkirk Council will act as the accountable body to oversee use of seed funding capital. Governance Board will provide recommendations
	Mismanagement of business case process.		

Category	Description of risks	Owners	Mitigations
			for how these plans are developed to ensure alignment with FGFP objectives.
Skills shortages	The Green Freeport might face skills shortages if the skills base is not updated rapidly	Green Freeport skills and fair work sub-committee	<b>[REDACTED]</b>  [REDACTED]Regular engagement with SDS will ensure the skills programme remains aligned to national efforts in skills development.
Private investment risk	Private investment rates may be lower than anticipated	Green Freeport trade and investment sub-committee	The trade and investment committee sets aside resources to deploy its marketing and communication strategy and fill shortfalls in investment, as necessary. Engagement with Scottish Enterprise and Scottish Development International's part of the trade and investment sub-committee to help identify appropriate investors.
Market risk	Market risks include supply chain disruption, inflation, low demand.	Green Freeport trade and investment sub-committee, tax site operators	Market risks are mitigated by targeting a diverse range of industries through the trade and investment strategy. Furthermore, the Gateway policy will favour commercial activity in renewables and low-carbon fuels, minimising market risks from the transition to net zero.
Tax and customs site risk	Delayed designation of tax and customs sites; security risks.	Tax and customs site operators	Accountability of tax and customs site operators to governance board will ensure best efforts are made to secure early tax and customs designation. Advanced site security arrangements and up-front feasibility testing of all sites will enable immediate designation of sites with required security arrangements in place.
Technology risk	Technology does not develop fast enough for targeted investments to materialise (e.g., offshore wind, low carbon fuels)	Green Freeport net zero and innovation sub-committee	Investment in innovation, facilitated through AGIC will mitigate risk by piloting and developing commercially viable technologies.
Reputational risk	Green Freeport causes negative environmental or social outcomes; Green Freeport damages community relations; Green Freeport tenants act unethically.	Green Freeport Governance Board	Investment principles will ensure all tenants agree to Fair Work First principles; involvement of local authorities on governing board will maintain community relations and ensure FGFP delivers positive social benefit.



<b>Category</b>	<b>Description of risks</b>	<b>Owners</b>	<b>Mitigations</b>
Planning risk	Sites remain underdeveloped due to lack of planning consent	Tax site operators	Alignment to NPF4 and engagement with LAs of local authorities via governing board will mitigate risk of postponed land development.

17/06/2022

CITY OF EDINBURGH COUNCIL [REDACTED]

Dear Sir/Madam,

**City of Edinburgh Council's support for the Forth Green Free Port (FGFP) and its ability to bring economic regeneration to local communities**

I am writing to confirm the **support** of City of Edinburgh Council for the FGFP bid. A Green Freeport tax site<sup>[REDACTED]</sup> and a customs site [REDACTED] will help us to deliver transformative change for local communities and also our ambitious target of achieving net zero by 2030. We have been a committed voice in the development of this bid and, should the bid be successful, will continue to play an active and supportive role in the governance and management of the FGFP.

The Council has been clear throughout that the FGFP bid must deliver real, transformational change to the communities along the Firth of Forth, particularly areas suffering from multiple deprivation. The bid will lead to **more, well-paid jobs with opportunities for career progression**, equipping our residents for the net zero economy of the future. We have also been clear that the bid must deliver opportunities for existing businesses rooted in the area, helping them to grow and diversify. I set out below why the bid addresses these challenges.

**Industrial cluster development**

[REDACTED]

[REDACTED] This will not only create a diverse employment base to supplement our existing offerings in [REDACTED] but we also believe that the interaction of these clusters will help to create innovative solutions, [REDACTED]

[REDACTED]

Furthermore, the **innovation hubs** made possible by investment via the Edinburgh and South East Scotland City Region Deal will directly support the development of these clusters and ensure that the whole region benefits from them.

## **Innovation and skills**

The Edinburgh Economy Strategy aims to deliver inclusive growth for all, with new skills at the heart of this approach. The strategy supports schools to develop skills-based curricula that improve pathways into work and learning and provide the skilled and competent workforce needed for Edinburgh's changing economy, working in collaboration with our partners across the city and wider region. The FGFP bid illustrates how private and public sector can collaborate to create jobs, which are accessible to and of direct benefit to residents in the surrounding communities, particularly those in greatest need. **We will ensure education providers (schools and Edinburgh College in particular) are directly involved in the opportunities the FGFP will bring.**

## **Community Benefits**

[REDACTED]

[REDACTED]

In line with Council policy, we would want to see procurement approaches by companies involved in the FGFP supporting wider community benefits, and grow programmes like the [REDACTED] to ensure the proceeds of this economic activity are re-invested in the local area.

## **Fair work**

The City of Edinburgh Council are strong advocates for Fair Work and was one of the first cities in Scotland to become a Real Living Wage City. Our Economy Strategy targets doubling the number of Real Living Wage Accredited businesses in Edinburgh in the next 5 years and we continuously work with private and third sector on all aspects of Fair Work. This includes employee and trade union involvement (where relevant) in business decisions and we would want to see this strongly in place across all companies involved in the FGFP. We are pleased to see the FGFP bid's commitment to Fair work, and this is central to our support. **We are clear that all companies benefitting from the FGFP investment must fully adhere to Fair Work principles, meaning employees in jobs the programme creates will be paid the real living wage.**

## **Net zero**

City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards net zero emissions for both city and corporates. The City of Edinburgh Council Emissions Reduction Plan has now set a target for Edinburgh to be a net zero city by 2030. The FGFP bid will deliver a [REDACTED]

[REDACTED]

We also understand the urgent need for the wider de-carbonization of the Forth. The FGFP bid will be at the centre of delivering this industrial transformation, and is real evidence of public policy, followed by private sector led delivery.

## Planning

We are committed to working closely with Forth Ports and other partners to deliver an effective Planning process for FGFP investments, including proactive consideration of submitted applications and engagement on the optimum land use. All discussions so far indicate **strong alignment** with our Local Development Plan ambitions [REDACTED]

[REDACTED]

Lastly, it is important to put the bid in context. [REDACTED]  
[REDACTED]

[REDACTED]

[REDACTED] I am determined to bring **lasting change to the area**, change which will benefit existing residents and businesses, and those who I have no doubt will come to the area over the coming years.

Yours sincerely,

[REDACTED]

Cllr Cammy Day,

Leader, The City of Edinburgh Council

# Edinburgh and South-East Scotland – City Region Deal

## Regional Enterprise Council



Dear Sir/Madam

### **Edinburgh and South-East Scotland (ESES) City Region Deal Regional Enterprise Council support the Forth Green Freeport (FGFP) and its ability to bring economic regeneration to local communities**

We are writing to confirm the full support of the ESES City Region Deal Regional Enterprise Council for the FGFP bid. As we are of the view that the ESES City Region area is uniquely positioned to deliver the outcomes and objectives of the Green Freeport at pace, as set out below.

The ESES City Region Deal is accelerating economic and inclusive growth in the City Region through a number of transformational programmes and projects across Innovation, Skills, Transport, Culture and Housing themes. The City Region Deal partners comprise: The City of Edinburgh Council; East Lothian Council; Fife Council; Midlothian Council; Scottish Borders Council; West Lothian Council; the city region's universities and colleges; and the City Region's business and third sectors.

The close partnership working developed by the City Region Deal, has allowed our collective and individual priorities to be articulated more clearly than ever before and the ESES Regional Prosperity Framework (RPF) was approved in September 2021. The RPF sets out a vision for the City Region with 'Big Moves' such as 'Regenerating the Forth', 'Re-thinking Our Place', 'Maximising the role of Anchor Institutions', 'Aligning Skills', 'Sustainable Transport', 'Supporting Enterprise' and 'Data Capital of Europe'. There is a focus on ensuring that all sections of the community have the opportunity to develop the key skills that will help to end inequalities in our society; while protecting our environment and making best use of our extraordinary built and natural assets. This will ensure that the Edinburgh and South East Scotland City Region delivers a just transition to a net zero economy.

We are greatly encouraged by the high level of complementarity between the City Regional Deal, the RPF and the FGFP. We believe that the FGFP will accelerate and amplify existing investment, taking it to a new level and maximizing opportunities.

If successful, the FGFP bid will deliver real, transformational change to the communities along the Firth of Forth. It should reignite the economic industrial powerhouses and through this innovative, focused, and ambitious bid, the potential of the most strategically important economic corridor in Scotland will be realised, securing a just transition to net zero which propels the Firth of Forth into a global hub of [REDACTED] [REDACTED]The ESES City Region Deal, and the RFP is fully aligned with these aims and the wider Freeport objectives of regeneration and high-quality job creation, decarbonisation and a just transition, trade and investment, and innovation.

#### **Industrial cluster development**

[REDACTED]

[REDACTED] We want to ensure that skills and expertise are retained in the region, while positioning for growth in these sectors through the net zero transition.

We are strong advocates of the FGFP vision for building an SME ecosystem in each of the proposed tax sites. [REDACTED]

# [REDACTED]

# [REDACTED]

## **Innovation and skills**

The ESES City Region Deal provides £791 million under its Research, Development and Innovation theme. The Data-Driven Innovation (DDI) Programme aims to establish the City Region as the Data Capital of Europe by enhancing the data capability of the region through areas such as Data skills development, expanded data-related research activities and entrepreneurial support initiatives. The FGFP is complementary and will support innovation-active businesses, increasing commercial research and innovation.

The ESES City Region Deal's £25 million Integrated Regional Employability and Skills Programme is improving the skills of an estimated 14,700 people and moving 5,300 into work across the region. Elements of this include the Housing, Construction & Infrastructure (HCI) and the Data Driven Innovation (DDI) Gateways, which have brought together partners in both industry and academia to provide integrated progression routes into Construction, Green technologies and DDI careers. This helps address skills shortages and opportunities to non-traditional groups of people into these sectors. This is complemented by RPF Big Move 7 'Aligning Skills' which is currently being developed with a strong focus on green skills. The enhanced supply of skilled labour will be a good match for many of the roles we foresee in the FGFP<sup>[REDACTED]</sup>

[REDACTED]

## **Local regeneration, infrastructure, and connectivity**

The ESES City Region Deal is investing in business premises and transport infrastructure, with a focus on inclusive growth. Additionally, the RPF sets out a vision for improvements to sustainable transport and supporting enterprise. Importantly, the FGFP closely aligns with this work by supporting the SME ecosystem through the provision of premises and opportunity [REDACTED]

## **Regional growth and displacement**

As a regional organisation with responsibilities beyond the proposed FGFP outer boundary, we believe that the investments that FGFP unlocks should provide a net gain to the City Region, Scotland, and the UK as a whole.

We are greatly encouraged that many of the investments will transition current jobs into more sustainable roles for the future economy, while upskilling opportunities will be made widely available.

The Regional Enterprise Council fully support the FGFP bid and welcome the opportunity to be involved in the implementation of the FGFP, including through active engagement in the governance body.

Yours Sincerely

# [REDACTED]

Claire Pattullo  
Chair

Garry Clark  
Vice Chair



**Falkirk Council**

Enquiries to: [REDACTED]  
Direct Dial: [REDACTED]  
Email: [REDACTED]  
Date: 06 June 2022

Dear Stakeholder

[Falkirk Council \(Grangemouth\)](#)

### **Falkirk Council's support for the Forth Green Freeport (FGFP)**

Falkirk Council supports the Freeport aims and objectives of regeneration and high-quality job creation, decarbonisation, a just transition, trade and investment, and innovation.

Falkirk Council fully supports the FGFP bid and has a proven record of delivery of major regeneration projects including the iconic Kelpies. It is uniquely positioned to deliver the outcomes and objectives of the Green Freeport in partnership with other public sector partners, business and communities.

The FGFP bid presents an opportunity for government to bring forward transformational change to the communities along the Firth of Forth, communities that have long felt the impact of carbon intensive industries and decline of traditional industries. This will align with the transformation of the industrial powerhouses and industries within the Green Freeport area and will ensure a return on investment in terms of sustainable economic growth for Scotland and the UK.

The FGFP will provide the building blocks for industrial innovation and will bring forth technology that will put the UK at the forefront of Net Zero Industrial Innovation [REDACTED]

[REDACTED] The Firth of Forth is a strategically important logistic and economic corridor in Scotland and the Green Freeport will support the infrastructure to grow this to its full potential. The FGFP bid is strategically aligned and enhances the Falkirk Growth Deal and TiF programme as well as community planning objectives and employability and skills plans.

Falkirk Council will be the accountable body for seed funding capital distributed as part of the FGFP. We will oversee this spending and monitor its appropriate use across the outer boundary.

### **Land ownership**

[REDACTED]

[REDACTED]

Investment in this land will be managed by the same investment principles as FGFP and the Growth Deal partners, and we will commit to progressing development proposals for this land to deliver local regeneration, innovation

Councillor Cecil Meiklejohn (Mrs)  
Leader of the Council  
SNP - Falkirk North Ward  
The Foundry, 4 Central Park,  
Central Boulevard, Larbert FK5 4RU  
[www.falkirk.gov.uk](http://www.falkirk.gov.uk)

cluster development, and commercial business opportunities recognising the council's legal obligations of securing best value.

### **Industrial cluster development**

The Falkirk Growth Deal will support an Industrial Innovation portfolio that will include £10 million for a Carbon Dioxide Utilisation Centre and £10 million for a Bioeconomy Accelerator Pilot Plant. This will form an industrial R&D campus which will be supported by the UK Innovation Skills Transition Centre led by Forth Valley College and investment of £4m from the Growth Deal.

### **Innovation and skills**

Forth Valley College has an exceptional track record of preparing local people for jobs in Industrial Manufacturing, Chemicals, Petrochemicals and logistics that have kept our industrial complexes well served with local labour for decades. Most recently they were the incubator for the "Fuel Change" programme that engages with apprentices and undergraduates to use their learning to bring forward ideas for decarbonisation. The UK Innovation Skills Transition Centre, led by Forth Valley College, will take this one stage further and develop skills programmes that will ensure that the future labour force is skilled and re-skilled as new technology and skills needs emerge.

### **Local regeneration, infrastructure and connectivity**

The Falkirk Growth Deal's theme of "Creating Great Places" includes £21 million for a Central Sustainable Transport Hub to be known as 'Falkirk Central' that will open up new multi modal connections for communities in Falkirk alongside an associated 'Green Corridor' and a regional active travel network that will connect local communities. In addition there will be £6m investment of a new Arts Centre for Falkirk, a £4 million development of Scotland's Canal Centre and £3 million to create Scotland's National Outdoor Art Park. This will provide a regeneration corridor that will extend along the Forth and Clyde canal and into Grangemouth where it meets the Firth of Forth. A further enhancement, the Westfield Bridge is a TiF / Levelling up project that will dual a major artery into Grangemouth which will benefit both traffic movement for those accessing the industrial complex and visitors to the Kelpies and other attractions. In addition a separate fund of £10m has been earmarked for the "Greener Grangemouth" programme to be delivered alongside Growth Deal funding to bring forward infrastructure enhancements to Grangemouth for the benefit of the local population.

### **Net Zero**

Falkirk Council is fully committed to supporting Net Zero and plan to have our own estate Net Zero by 2030. The Forth Valley for Net Zero campaign showcases what Falkirk Council and partners including industry have achieved and committed to so far. This includes commitments from major industry players and case studies of those that are leading the change. [Forth Valley for Net Zero - Tackling Climate Change](#)

### **Planning**

Falkirk Council has engaged closely with [REDACTED] on the proposed planning requirements on their lands through the Green Freeport bidding process, and we will continue to work closely with them to deliver effective planning support to them as plans develop further. As part of the NPF4 consultation, Falkirk Council has proposed the Grangemouth Investment Zone to further develop Grangemouth as a nationally significant location for industry, energy and freight. This will aid Grangemouth's transformation into a centre for excellence and innovation in low and zero carbon technologies, facilitating the decarbonisation of Scotland's industrial and energy sectors; the regeneration of the wider town to arrest its decline and ensure that benefits flow to the local community; and infrastructure required to support this process.



The FGFP investments support the ambitions of this national development, and we will continue to support private sector partners through the planning requirements of this Investment Zone.

**[REDACTED]**

Yours sincerely

**[REDACTED]**

**Councillor Cecil Meiklejohn (Mrs)**  
**Leader of the Council**

AS/PS

**Stuart Wallace**  
**Chief Operating Officer**  
**Forth Ports**

**Councillor David Ross**

**Council Leader**  
Fife House, North Street  
Glenrothes, Fife, KY7 5LT

Cc:

Tel: [REDACTED]  
E-mail: [cllr.david.ross@fife.gov.uk](mailto:cllr.david.ross@fife.gov.uk)

[REDACTED]

10 June 2022

Dear Stuart

**FORTH GREEN FREEPORT DESIGNATION BIDDING – FIFE COUNCIL SUPPORT TO SECURE ECONOMIC REGENERATION TO LOCAL COMMUNITIES**

I am writing to confirm the full support of Fife Council for the FGFP bid and to deliver the outcomes and objectives of the Green Freeport at pace, as set out below:

The prospect of such collective focus and new economic investment along the Forth is exciting for Fife and we therefore confirm our support for inclusion of parts of the Fife Council area within the proposed '*Forth Green Freeport*' (FGFP) area.

I hope the FGFP bid delivers real, transformational change to the communities along the Firth of Forth. I believe it will reignite the economic industrial powerhouses and through this innovative, focused and ambitious bid, the potential of the most strategically important economic corridor in Scotland will be realised, securing a just transition to net zero which propels the Firth of Forth into a global hub of [REDACTED] and supports economic sectoral growth. Fife Council is fully aligned with these aims and the wider Green Freeport objectives of regeneration and high-quality job creation, fair work, decarbonisation and a just transition, trade and investment, and innovation.

Fife's economic strategy (2017) aligns strongly to the FGFP aims, particularly in driving inclusive, green, export-led growth and fostering a culture of innovation. The strategy also assists key sectors across its priority themes through targeted support for industry led action/s.

Fife Council and our regional partners through the £1BN Edinburgh and South East Scotland City Deal, in particular, have always recognised the important role that South West Fife and Mid Fife can have in securing regeneration of the Forth corridor. It is therefore pleasing to note that central components of the prospective FGFP bid are the Fife locations [REDACTED] Both locations and their associated infrastructure, skilled local labour market and socio-economic assets are integral to the future industrial transformation of the Forth. [REDACTED]

[REDACTED]

Fife Council continues to support new business enterprise or investment in Fife and the related initiatives to encourage our young people across the region into work or self-employment.

The Council has titled this work part of our 'Culture of Enterprise Framework', and it is therefore helpful to note that similar commitments within the FGFP bid will be made including a focus on private sector investment in future training and apprenticeships.

Fife Council welcome that [REDACTED] and other strategic sites within the proposed Green Freeport outer boundary [REDACTED] support the bid for this important economic designation. The areas identified provide scope for inward investors to locate and for existing businesses to expand or to diversify. The outer boundary area identified to support the proposed FGFP sites provides within Fife, important links via the M90, A92 and Fife Circle rail network into Mid Fife. Highlighting this and aligning investment activity with the 2021 Mid Fife Economic Action Plan and Mid Fife Economic Prospectus will ensure that together, we maximise benefits from the prospective Forth Green Freeport designation. The Mid Fife Economic Action Plan is stimulating and supporting localised economic recovery and inclusive growth within and across Mid-Fife. The action plan includes funded workforce up-skilling and re-skilling programme dedicated and bespoke to the Mid-Fife area, as well as digital skills and data programming. Fife College and Skills Development Scotland also have an active role here, notably in seeking to expand the number of apprenticeships in Mid-Fife.

The Green Freeport investments will also help to support our delivery of the Climate Fife Action Plan.

[REDACTED]

We are committed to working with the Green Freeport private sector partners to achieve net zero in Fife by 2045, and will support their development of a coherent net zero strategy for the Forth Green Freeport sites.

The skills investments proposed through the FGFP skills fund also align closely to our own investments in the field of skills and innovation.[REDACTED]

[REDACTED]

[REDACTED] The tax incentives of the Green Freeport, and the skills investments through the skills fund, will help to upscale these innovative activities in Fife.

Fife Council also remain committed to working closely with the landowners [REDACTED] on proactively considering any submitted planning applications and the optimum land use or policy designations to support their planned investments. [REDACTED]

[REDACTED]  
[REDACTED]

The Council have also sought in representations to the recently published Scottish Government draft National Planning Framework 4 (NPF4) that the 'economic and transport potential of the Firth of Forth' should be specifically recognised.

[REDACTED]

# [REDACTED]

Fife has a proven track record in accommodating global business and we offer not only excellent road, port and rail links but also a dedicated investment team and a project management led approach to supporting indigenous or new economic activity. The Council economic development team, through 'Invest Fife', stand ready to ensure that [REDACTED]

[REDACTED] amongst others; including academic partners or supply chain companies therefore succeed. We share the view that the Forth is a prime location nationally and is one that can stimulate increased trade and sustainable economic growth.

I trust that this commitment has been demonstrated so far in having officers and other stakeholders work collaboratively with FGFP Bid partners to ensure that the submission of a Forth Green Freeport bid is comprehensive and compelling. As the bidding stages progress and once a final decision is announced in the autumn of this year by Government, Fife Council will again seek to provide proportionate and relevant resources to ensure that the benefits of the prospective designation are maximised.

Yours sincerely

[REDACTED]

**Councillor David Ross**  
Council Leader

## Response ID ANON-3DZF-Y4W4-F

Submitted to Green Freeports in Scotland bidding portal  
Submitted on 2022-06-19 21:21:18

### Before you start

#### Introduction

Do you agree to the privacy notice?

I have read and agree to the privacy notice:  
Yes

#### Applicant information (1/2)

What is your name?

This should be the name of the person who will be filling in the Green Freeports application form.:  
[REDACTED]

What is your email address?

All correspondence will be sent to this email address.:  
[REDACTED]

#### Applicant information (2/2)

1.1 Please submit a proposed name for your Green Freeport. This should clearly distinguish it from any other potential Green Freeport proposals.

Green Freeport Name :  
Inverness and Cromarty Firth Green Freeport

1.2 Please provide the name and contact details for the Senior Responsible Officer for the programme.

Enter the officer's name and contact details here::

[REDACTED]

Strategic Business Development Manager, Port of Cromarty Firth  
Address: Port Office, Shore Road, Invergordon IV18 0HD

[REDACTED]

[REDACTED]@cfpa.co.uk

1.3 To assist us in considering the impacts of your proposal, please provide us with information on the impacts you have identified against each of the nine protected characteristics. This information will not be subject to an assessment process. If you have any supporting documentation on the impact of your proposal please upload it to the SharePoint folder (optional).

Please enter your answer here (250 words max.) :

Opportunity Cromarty Firth (OCF) is committed to ensuring that the Green Freeport will have a positive impact on people with any of the nine protected characteristics.

[REDACTED]

[REDACTED]

Gateway Criteria (1/5)

1.4 Please upload the following pdf files legible at A3 to the SharePoint folder you have received a link for:

1.5 Please also upload an ESRI Shapefile or Vector Geopackage version of each map uploaded at 1.4 to the SharePoint site.

1.6 Please provide evidence (e.g. letters) that landowners have signed up to your vision for the proposed tax site, associated land use, and will take appropriate steps to ensure development on the site aligns with the Green Freeport's objectives and those of the wider Green Freeports policy. Evidence should be uploaded to the SharePoint folder.

Please explain how and why government can have confidence that the tax site will be delivered in line with your vision. (250 words max.) :

OCF, a majority private sector consortium, has been working together for 2½ years to deliver first order renewable energy benefits that only we can provide, and reverse the Highlands' post oil boom economic decline.

Our tax sites have been selected to deliver on these opportunities, [REDACTED]  
[REDACTED]

[REDACTED]

This will all be underpinned by a suite of Tax Site Delivery Agreements committing landowners to delivering the agreed vision, with the key provisions agreed already (see paper and landowner letters attached as part of our response to this question). We are also developing a governance structure in preparation for the business case and delivery phases, with the agreed approach and Board composition also set out in the attached paper.

Gateway Criteria (2/5)

1.7 For each customs site, please upload a signed letter from the site operator confirming that:

1.8 Please upload written confirmation of support for your application from your local authority or local authorities and (if you have their endorsement) Regional Economic Partnership (REP). The only mandatory signatories required from the leader of local authorities to pass the pass/fail are:

1.9 Explain how your Green Freeport Outer Boundary represents a credible, coherent economic geography? Please provide clear rationale.

Please enter your answer here (500 words max.) :

[REDACTED]

[REDACTED]

The boundary has been optimised to cover as many areas of above average deprivation (as per Scottish Index of Multiple Deprivation (SIMD) statistics) as possible. Around 137,000 people [REDACTED] and virtually all of the identified development potential, is within our outer boundary, allowing us to reinvest revenue from retained Non-Domestic Rates across our labour markets and immediate supply chains. This will help town centres grow and adapt, as we seek to use private investment to reverse historic (and forecast) population decline and an ever more ageing population profile. The working age (16-64) population within the outer boundary makes up about 60% of the total and is forecast to decline, without intervention, by over 10% by 2043.

Although much of the Highlands has challenging physical geography, the Tier 1 and 2 settlements within our outer boundary benefit from excellent

transport connections. Inverness, at the heart of our Green Freeport, has a growing international airport, named the best airport with under 2 million passengers per year in Europe by the Airports Council International. Inverness is also at the heart of a thriving rail network with direct connections to Edinburgh, Glasgow and London to the South, services to the North via Dingwall, Alness, Invergordon and Tain, to the West, and to the East along the Aberdeen-Inverness line, on which a new station will open later this year serving Inverness Airport and Tornagrain New Town.

#### Gateway Criteria (3/5)

1.10 Please provide rationale for all proposed customs sites, including:

Please enter your answer here (500 words max.):

[REDACTED]  
[REDACTED]  
[REDACTED]

1.11 Does your Green Freeport propose any customs sites outside the Outer Boundary? If yes, please provide a written submission with clear and specific reasoning justifying such additional proposals and how it relates to the wider Green Freeport.

If yes, please provide a written submission with clear and specific reasoning justifying having a customs site outside the outer boundary (300 words max.):

No

1.12 N.B: This question has been deleted. Please refer to the clarification questions published on the 19th of April 2022 for details.

#### Gateway Criteria (4/5)

1.13a Please provide clear economic rationale for the tax site(s), including an explanation for the proposed location(s) and why it represents good value for money.

Please enter your answer here (200 words max.):

[REDACTED] tax sites deliver first order net UK GDP growth and thus value for money that cannot be generated by alternative Green Freeports. We create additional value by targeting areas of the highest deprivation and accelerating a just transition to net zero.

[REDACTED]

1.13b Please provide the management approach to each tax site.

Please enter your answer here (200 words max.) :

The cooperation of OCF partners will carry through to our approach to site management. [REDACTED]

[REDACTED]

[REDACTED]

Tax site landowners have committed to entering into these agreements. They will include ensuring all reasonable efforts are taken to realise our vision for additionality and green growth, supporting Fair Work practices and making contributions to the Green Freeport company.

Signing an agreement will be a prerequisite for tax site designation and for landowners being entitled for representation on the Company's Board.

1.13c Please provide clear economic rationale for how tax measures will generate additional economic activity and how this aligns with the local sectoral vision.

Please enter your answer here (200 words max.) :

[REDACTED]

1.13d Please provide clear economic rationale for how your proposed tax sites meet the criteria for being underdeveloped and what works are required on the tax sites.

Please enter your answer here (200 words max.):

All tax sites are located in an area with GVA per hour worked (£33.20) below the Scottish (£34.40) and UK (£35.20) averages.

[REDACTED]

#### Gateway Criteria (5/5)

1.14 How does the tax site locations mitigate displacement of local economic activity from disadvantaged areas?

Please enter your answer here (500 words max.) :

Our region's history of an ageing and declining population following the end of the North Sea oil manufacturing boom means locating a Green Freeport here is itself a mitigation against displacement from disadvantaged areas.

The injection of hundreds of millions of pounds of private investment in new activity, together with the benefits of retained rates deployed in supporting programmes, offers an opportunity to reverse this cycle.

We have targeted investment that is new to the UK, would not be creating opportunities elsewhere and is located where it can best support growing well-paid employment for people in some of the Highlands' most deprived wards.



At each tax site, there are specific opportunities in emerging sectors, including to develop specialisms that have historically been bought in from overseas, and some -[REDACTED] - that would be new globally. Activity within the Green Freeport will create, rather than displace, opportunities for other Scottish ports and their supply chains.[REDACTED]  
[REDACTED]

# [REDACTED]

[REDACTED]  
[REDACTED]

in areas which are of higher-than-average deprivation (according to SIMD), [REDACTED]  
[REDACTED]

All tax and customs sites are located

Inverness, the Highlands' capital, has a strong track record of attracting people and business, but industrial land in the city is now highly constrained with land prices running as high as £2m per hectare. Land availability, and the high costs of reclamation, are constraining growth, including in emerging high-wage innovation sectors. The tax measures available for private investment to open up new land will address this problem head-on [REDACTED]

# [REDACTED]

1.15 Please set out how you will meet the minimum standard of security and infrastructure required in customs and tax sites before being able to operate as a Green Freeport.

Please enter your answer here (500 words max.):

OCF members acknowledge that Green Freeports must not harbour illicit activity, including organised criminal activity, money laundering, smuggling and people trafficking.

All tax and customs sites have clearly delineated boundaries.

The robustness of our customs site operators' existing security infrastructure and processes means they will be able to move through necessary security authorisations quickly and smoothly.

# [REDACTED]

Operators have experience in establishing TSAs and HMRC-approved inventory linking systems such as Destin8. They also continue to innovate in their security provision - [REDACTED]

# [REDACTED]

The Green Freeport Company and all customs site operators will adhere to the OECD Code of Conduct for Clean Free Trade Zones, the specific anti-illicit trade and security measures therein, and the current obligations set out in the UK's Money Laundering Regulations 2017. Customs site operators' existing compliance auditing procedures will, where necessary, be augmented to recognise the additional security requirements. Collaboration and knowledge sharing will be encouraged between customs site operators through the Company.

One of the core functions of the Company's Board of Directors will be to actively manage security risks across physical, personnel, and cyber domains, and to work with the Scottish Government, HMRC, Border Force, the NCA, Home Office and other relevant agencies and government departments on this.

A detailed security management plan will be developed and owned by the Board. It will include monitoring inventory systems, physical security, personnel, cyber threats and compliance with international regulations (e.g., the Convention on the International Trade in Endangered Species). The Board will conduct an annual audit of security measures and any breaches, including related to biosecurity, and update policies and procedures in light of lessons learned.

The Board will have responsibility for oversight of a register of all the businesses operating, or applying to operate, within customs and tax sites, including each business's beneficial owner. Day-to-day maintenance of the register will be delegated to the Compliance Manager, who will be required to verify the beneficial owner of such businesses. The register will be made readily accessible to HMRC, the NCA and Border Force.

Detailed application information - Criteria A, B, C, & D

2.1 Please upload a diagram of a logic model which gives an overview of the links between the activities and inputs, outputs, outcomes and impact of your proposed Green Freeport model. (max. 50Mb file limit.)

Please confirm this has been completed :

Yes

2.2 Referring to the logic model and section 2 of the prospectus, please explain how your Green Freeport proposal will meet Scottish and UK Government objectives and achieve the desired outcomes listed in this prospectus? Please complete this as a Word document and upload to the SharePoint (max. 5000 words incl. 250 word executive summary). As part of your answer, please cover:

Please confirm this has been completed :

Yes

#### Detailed application information - Criterion E (1/4)

3.1 Describe the local authority current or planned planning applications for each tax, custom and key investment site. For each site please provide the following:

3.2 Please upload an Implementation Plan. This could take the form of a pictorial diagram, Gantt chart, timeline, flowchart or other graphical representation. (max. 50Mb file limit)

3.3 Please provide a written submission contextualising your Implementation plan, which sets out:

Please enter your answer here (1000 words max.):

#### MILESTONES AND TIMINGS

[REDACTED]

#### COSTS AND CONTINGENCY

Our confidence in the costs and investment forecasts in our proposal is high because they are based on what industry is telling us directly.

[REDACTED]

We have investigated the enabling investment required to bring the sites to market, to support the costs set out in this bid. In many cases, much of the necessary investment has already been made - [REDACTED]  
[REDACTED] The investment made by public and private sector partners means that we have already taken significant steps to de-risk projects.

Further investment proposals are being worked up. [REDACTED]  
[REDACTED] The costs we provide for these projects have been sourced directly from the facility owners and include an appropriate amount of contingency to reflect their maturity.

Our plans to allocate seed capital to support enabling infrastructure on tax sites will help mitigate financial risk involved in these and other projects, integrating where appropriate with FLOWMIS grant and potential use of retained rates.

#### DELIVERY RISK AND GOVERNANCE

Our proposals for Tax Site Delivery Agreements require an implementation plan for each tax site to be developed and progress against it monitored regularly. In the business case phase, we will provide further detail, via draft delivery plans for each tax site, on specific risks and issues, and contingency arrangements.

A multitude of agencies, programmes and financial support packages will need to work together to successfully deliver Government's ambitious targets for renewable energy output and UK content. This will require the kind of strong and unified coalition that OCF was designed to be. Indeed, the consortium has been preparing to take on this role for over two years, working closely with landowners and prospective developers (a number of whom have joined the consortium including the large majority of successful ScotWind bidders - covering 100% of the floating wind sites in the East and Northeast, 13GW of the 14.6GW awarded) to prepare for the task ahead. This key coordination role is reflected in our Implementation Plan – it is that important.

Should the proposal be successful, OCF will transition into Inverness and Cromarty Firth Green Freeport Limited, which has been incorporated as a private company limited by guarantee.

Articles of Association and associated policies and procedures will be developed. The initial members of the Company will be the OCF members. A Board of 12 Directors will include The Highland Council, tax site landowners, and representatives of developers and supply chain. We propose a dedicated seat on the Board for a representative of a formally-constituted Green Freeport Workers' Committee. [REDACTED]  
[REDACTED] has agreed to become the independent Chair of the Board.

## [REDACTED]

The Highland Council will fulfil the role of Accountable Body. It will be accountable to Government for the expenditure and management of centrally funded public money and will sign off any investments from retained rates. The Company management team will develop proposals for the allocation of rates revenues and will make recommendations to the Board, which will then make recommendations to the Accountable Body for a final agreement.

Further details on governance are provided in question 1.6.

Detailed application information - Criterion E (2/4)

3.4 Please describe, with reference to your implementation plan when you will undertake activities set out in your response to question 2.2 that focus on regeneration and high-quality job creation.

Please enter your answer here (400 words max.):

Activities and inputs described in the Logic Model will support around 25,000 new above average GVA jobs in renewable energy, life sciences and marine technology, and associated supply chains, with a programme of supporting interventions to maximise the impact on local labour market participation and upskilling.

## [REDACTED]

## [REDACTED]

[REDACTED] All facility owners have committed to becoming or remaining a signatory to the Scottish Business Pledge if ICF is awarded Green Freeport status.

Supported by the voluntary contribution of saved Employer NICs on tax sites, as well as retained Non-Domestic Rates, tailored on-site training opportunities through established providers like OPITO, UHI and Nigg Skills Academy will commence through the Powerhouse in 2023. Specific initiatives will be targeted at younger people, returners and the long-term unemployed in local communities.

# [REDACTED]

3.5 Please describe, with reference to your implementation plan when you will undertake activities set out in your response to question 2.2 that focus on decarbonisation and a just transition to a net zero economy.

Please enter your answer here (400 words max.):

## [REDACTED]

Our Implementation Plan reflects the urgency of the mission and the strong market interest we are receiving. Our approach to skills and training is focused on ensuring the transition is a fair one.

[REDACTED]

The Powerhouse is leading a project on the commercialisation of ammonia fuel cells to provide power for maritime propulsion and the prototype system will be tested in the Cromarty Firth in 2023/2024. Important contributions will come from hydrogen refuelling at Invergordon, Ember's installation of a charging facility for its innovative long-distance electric buses at the Port of Inverness in 2022, and the Port's immediate role in supporting onshore wind projects and decarbonising the freight for building pumped storage projects at Loch Ness and elsewhere on the Caledonian Canal.

For the Green Freeport itself, we will develop a detailed decarbonisation strategy, aligned with a Highland-wide regional strategy and promoting compliance among partners with the Governments' approach to managing carbon emissions for Scottish City Region and Regional Growth Deal projects, over the course of 2022-23, with regular monitoring and evaluation thereafter.

3.6 Please describe, with reference to your implementation plan when you will undertake activities set out in your response to question 2.2 that focus on establishing trade hubs.

Please enter your answer here (400 words max.):

Our ambition is to establish a new trading hub for FOW and green hydrogen in the UK.

[REDACTED]

[REDACTED]

3.7 Please describe, with reference to your implementation plan when you will undertake activities set out in your response to question 2.2 that focus on fostering innovation.

Please enter your answer here (400 words max.):

[REDACTED]

# [REDACTED]

The integration of innovation-focused organisations into the Green Freeport governance structure – to be formally established in 2022-23 – will further promote innovation, including engagement with the Freeports Regulation Engagement Network (FREN) and support in accessing R&D funding. These include the Powerhouse (a research, skills and innovation cluster for the OSW and hydrogen sectors created by OCF in 2020 as an independent company with over 90 members), Highlands & Islands Enterprise (which aims to improve productivity and competitiveness, stimulate innovation demand across the region and grow the number of businesses undertaking R&D) and UHI (which has a thriving applied research and innovation community).

# [REDACTED]

Detailed application information Criterion E (3/4)

3.8 Please upload a risk management framework that shows how your governance board will manage risks to the SharePoint folder.

3.9 Please outline your preferred investment proposal including:

3.10 Please provide evidence of the commercial demand for:

Please enter your answer here (500 words max.):

# [REDACTED]

Crown Estate Scotland and the Scottish Offshore Wind Energy Council provide independent evidence that the Cromarty Firth is the most logical place for this activity. Our industry letters of support provide evidence of this commercial demand, as does the fact that so many of the developers have joined our bid (13GW of 14.6GW of Scotwind FOW lease holders).

# [REDACTED]

Detailed application information - Criterion E (4/4)

3.11 What considerations and mitigating actions will be taken into account for potential negative externalities (including the displacement of local economic activity from nearby disadvantaged areas) affecting your site and/or the surrounding area resulting from the introduction of the Green Freeport?

Please enter your answer here (500 words max.):

Economic activity on our sites can potentially have some negative environmental impacts, including heavy industrial development, increased freight volumes and activity on the seabed.

To mitigate this, we have engaged specialist advisors across the Council and partner agencies to ensure that all elements of the Green Freeport proposal contribute to the just transition to net zero, creation of a green circular economy, supporting biodiversity gain and fostering good care of the built and

natural environment. We are committed to identifying and mitigating such impacts as early as possible, both through planning procedures already in place and by utilising our positive relationship with the Key Agency Group which is proposed to undertake an advisory role.

To minimise congestion impacts, especially in Inverness, we will deploy seed capital and other matched funding to develop road access schemes and other infrastructure mitigations.

To avoid local economic displacement, we have targeted opportunities on our tax sites that will generate additional economic activity for not just the Highlands, but across the UK. Indeed, the kind of investment boost a Green Freeport can deliver is needed to prevent a continuing cycle of employment and population loss in the Highlands, with its own negative feedbacks and externalities. The scale and type of activity here is expected to catalyse investment well beyond the Green Freeport, [REDACTED] Our Tax Site Delivery Agreements will commit site owners and end users to pursue only genuinely additional economic activity on their sites.

To mitigate against the crowding-out of local employment opportunities and skills challenges, all partners have agreed to donate the savings made from Employers NICs relief to establish an early Skills Fund administered by the Powerhouse (the Green Freeport's skills and R&D arm). The fund is designed to widen the skills pool both for businesses within the Green Freeport sites and for the regional supply chain.

# [REDACTED]

## [REDACTED]

3.12 Please explain how your proposals will ensure compliance with all applicable environmental regulations and standards and if applicable, what further environmental standards will you stipulate and how will these be met?

Please enter your answer here (750 words max.):

The Inner Moray Firth is home to some of the most diverse natural habitats in Scotland, some of which have statutory protection under international, national (UK and Scotland), regional and local laws and regulations. Protecting and enhancing these unique and precious natural assets will be a key priority for the Green Freeport.

Existing mechanisms within the planning system will provide the primary mechanism through which this will be achieved.

The direction is set by the Scottish Government's National Planning Framework, which provides national planning policies covering the economic, social and environmental aspects of development. The Planning (Scotland) Act 2019 introduced the fourth NPF (NPF4) which will place duties on planning authorities to use the planning system to develop mechanisms that not only prevent biodiversity loss but deliver biodiversity enhancement.

The OCF proposition lies at the heart of the vision for the region set out in the Highland Indicative Regional Spatial Strategy to 2050, prepared by the Highland Council and its local and regional partners, to optimise the region's unique environmental characteristics and assets to deliver a range of national outcomes.

## [REDACTED]

Like all planning applications, future developments will be assessed with regard to the Highland Wide Local Development Plan policies 57 (Natural Built and Cultural Heritage) and 58 (Protected Species). The latter ensures that wild birds, animals and plants are afforded protection from deliberate or reckless damage, disturbance or obstruction to their habitats and/or place of shelter.

Additionally, the review of the Inner Moray Firth Local Development Plan (IMFLDP2) has allowed for further alignment of local policies with the national position. Policy 2 of IMFLDP2 requires developers to protect and improve biodiversity, including financial contributions from larger schemes and the introduction of a carbon emissions reduction standard, beyond current building regulations, for new build development.

# [REDACTED]

To support developers to comply with these and other requirements, Highland Council has established a Key Agency Group which, along with the Council

and wider OCF partnership, will ensure delivery of high-quality outcomes for people, place and environment. Ongoing engagement with the Key Agency Group will ensure early input and compliance with all environmental regulations and standards and identify opportunities for improvement, potentially through the preparation of a Masterplan Consent Area(s). This will be delivered alongside other methods such as the Council's major pre-application service which offers formal feedback at the early stages of the planning process from a range of Council services and public agencies.

The proposal for the Green Freeport is therefore coming forward at a time when The Highland Council's framework for environmental protection and biodiversity enhancement is more robust than ever before.

While compliance with relevant legislation is clearly the minimum that should be expected from developers, today there is an imperative to develop additional sustainable solutions for minimising the impact of economic activity on our rare and fragile coastline habitats. Therefore, if successful, during the business case phase we will consider supplementary activities over and above established planning mechanisms that could be used to ensure Green Freeport developments deliver positive biodiversity and environmental outcomes. [REDACTED]

[REDACTED]

Detailed application information (4. Criterion F: A high level of private sector involvement in the proposal)

4.1 Describe the primary types (including size and sector) of business:

Please enter your answer here (500 words and 10 SIC codes max.) :

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4.2 Please describe any formal agreements or commitments you have from businesses or other partners to support port and business development. Please upload any supporting documentation to evidence these commitments to the SharePoint folder. Bids that demonstrate genuine and tangible long term commitments from partners will score more highly.

Please enter your answer here (500 words max.) :

50 organisations have provided tangible commitments to the ICF Green Freeport bid, through consortium membership, financial contributions and/or a supporting letter.

We have the support of FOW developers, green hydrogen manufacturers and advanced engineering firms who make it clear in their letters that tax and customs measures will directly influence their decision to invest here, employ our workforce and support our communities – this includes a number of formal MoUs. We have the support of the wider supply chain (within and outside the Green Freeport) whose businesses will grow due to the clustering impacts of development on tax sites. And we have the support of a broad range of service providers, academic and skills groups and local politicians.

[REDACTED]

[REDACTED]

Before you Submit

Please confirm you have uploaded the relevant documents/information to your SharePoint folder:

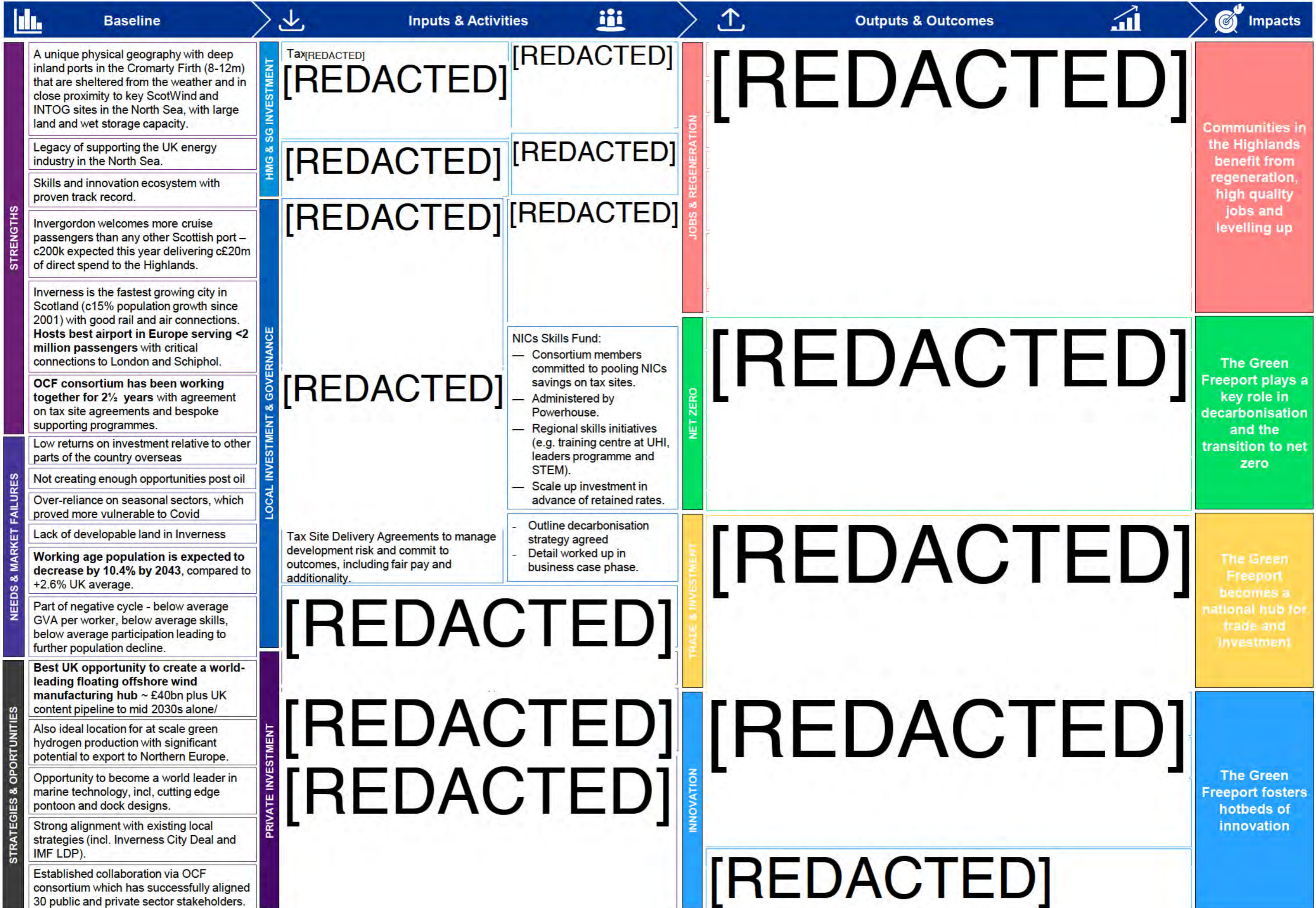
Q1.4, Q1.5, Q1.6, Q1.7, Q1.8, Q2.1, Q2.2, Q3.1 (table), Q3.2, Q3.8, Q3.9 (table), Q4.2

Important: Applicants must submit material for all sections of 5.6 (Applicant information) and 5.7 (Gateway criteria). There will be no opportunities to submit additional information or documentation for this section. Any bids that do not pass every stage of 5.7 will not proceed to detailed application assessment. Are you sure you would like to proceed?

I would like to proceed with my application :

Yes





[REDACTED]

## Question 2.2: Logic Model

### Executive summary

[REDACTED]

[REDACTED]

Our Green Freeport brings unique, first order trade and energy security benefits, and a faster, more just net zero transition.

ICF once flourished as the best place to build oil platforms, the innovative technology that unlocked North Sea oil in the 1970s, supported by an influx of investment and people.

But our oil boom is long gone, and places that are growing, like Inverness, face tightening constraints. Forecasts indicate a cycle of declining working-age population, rising dependency and a widening GVA gap.

Opportunity Cromarty Firth (OCF) is a coalition of 30 private, public and academic sector members.

Our Logic Model shows how we can reverse these trends, supporting FOW and green hydrogen, with a wider reach into maritime technologies, advanced manufacturing and life sciences. These sectors reflect local strengths, particularly our unique natural geography, legacy assets and skills base.

Green Freeport status will unlock £2.6bn of public and private investment, boosting supply chains across Scotland and the UK. We expect 25,000 new jobs, sufficient to reverse population decline and encouraging young people to remain in and return to Highland.

We will maximise taxpayer value by coordinating private investment, the Green Freeport package and grants, and through supporting programmes (funded by retained rates and privately) delivered by the Powerhouse, our skills and innovation delivery vehicle.

### Baseline

#### Strengths

Inverness is the fastest growing city in Scotland, and ICF's transport hub (with excellent rail and road connections, and Europe's best small airport). It has a growing life sciences and technology sector and is the gateway to the wider Highlands and Islands, including Loch Ness and Cairngorms National Park.

On the neighbouring Cromarty Firth, the ports of Invergordon and Nigg are national strategic assets. In the 1970s, having been identified as the best location for the task, they pioneered oil platform manufacturing in the UK.

50 years later, they are recognised to be the best place for FOW manufacturing: close to the North Sea leasing sites, with deep (8+ metres), sheltered ports and unrivalled dry and wet storage. [REDACTED]

# [REDACTED]

ICF can be a fantastic place to live, for those with the right opportunities, with higher levels of personal wellbeing and life satisfaction than the Scotland average. Housing is affordable for those in the right kind of work, with a particularly healthy housebuilding pipeline and land allocated in the adopted Local Development plan for more than 25,000 new homes, including a new town of 5,000 homes (Tornagrain) within the Green Freeport.

#### Needs and market failures

Nevertheless, ICF faces significant challenges. Since 2011, total population grew by less than 1/3 the UK average. The working age population actually fell. Government forecasts point to a 1.5% decline in total

population (4,800 people) by 2043, and more alarmingly a 10.4% (21,199) drop in working age population, in contrast to UK growth of 2.6%.

This is part of a negative feedback loop involving low educational attainment (below average working age NVQ levels 3 and 4), larger than average reported skills gaps, an economic activity rate for 16 to 64-year-olds (at 75.6%) below the Scottish (76.2%) and UK (78.2%) averages, wages below the UK average, and GVA per hour worked (£33.20) below the Scottish (£34.40) and UK (£35.20) averages. The Highlands has the second highest level of fuel poverty in Scotland and fourth highest for extreme fuel poverty, according to the Scottish Government Scottish House Condition Survey.

The contrast with Aberdeen, the other major port area heavily involved in the oil and gas industry, is stark. Aberdeen City Council's own report from December 2021 states that it is one of the most prosperous parts of the UK (with GVA per head some 31% and 19.3% above the Scottish and UK averages) and is among the best performing areas in the UK for employment rates, earnings and productivity.

Simply put, our economy has not been creating enough of the right kind of opportunities and young people are forced to leave.

Part of the problem is that the sectors that replaced oil and gas construction, such as tourism, retail and hospitality, have lower productivity per hour, and are highly seasonal. Perceived job security is low.

We have faced challenges in promoting enough opportunities in new innovative industries, because they have high entry costs, strong overseas competition and are very sensitive to Government policy decisions, subsidies and pricing mechanisms.

Inverness has grown, but industrial land constraints have pushed rents up to [REDACTED], levels more usually associated with major conurbations such as Greater Manchester.

## Opportunities

Further working age population decline is not inevitable. Our Logic Model shows that – with the right support – sufficient new job opportunities can be created to switch ICF to a positive dynamic.

# [REDACTED]

The supply chain estimates published by Crown Estate Scotland following the recent ScotWind leasing round highlight the size of the FOW opportunity for the UK, with up to £2.8bn of capital investment in floating turbines being required per GW, of which up to £2bn could be sourced from the UK.

The UK has set itself the ambition of achieving a 60% local GVA share of offshore wind manufacturing and the fact that FOW is in its infancy provides the opportunity to deliver much better trade, investment and employment outcomes than with fixed bottom and onshore wind, which have been delivered largely by imports.

# [REDACTED]

floating offshore wind turbines, particularly for foundations that could each weigh thousands of tonnes and require significant space”.

The Cromarty Firth, uniquely in the UK, has all of the above. This is why Crown Estate Scotland's 2021 'Port Enhancements for Offshore Wind' report identified it as offering the space and access to sufficient water depth required to address the need for suitable port capacity, and the Scottish Offshore Wind Energy Council's (SOWEC) Strategic Investment Assessment calls it “the most suitable location for a Scottish Floating Offshore Wind Port Cluster”.

# [REDACTED]

The second largest opportunity is delivering a **step change in green hydrogen production**, creating power that can easily be stored, moved around the country and exported, addressing constraints on the grid and the high costs to connect to it, and decarbonising sectors such as heat, transport and industry that are challenging to electrify.

There are significant synergies with FOW, and the industry is looking to collocate facilities in ICF. The scale of this opportunity is highlighted by the letter of support from Scottish Power and Storegga, who are collaborating on what would be the UK's largest green hydrogen facility, involving investment of £1bn and 1GW of capacity.

FOW and green hydrogen provide a 50-70 year investment pipeline to move ICF away from cyclical employment providing long-term high wage jobs in sectors attractive to young people. Both do so by generating investment that is net additional at the UK level, maximising import substitution and harnessing synergies.

# [REDACTED]

## Why a green freeport in icf is the right intervention

The message from English Freeports is that the impact of **tax measures** on investment viability is transformational, with an impact on post tax profits equivalent to up to 30% of capital grant. Accordingly, many investors are now only interested in Freeport tax sites.

Evidence shows that this impact has been especially significant for OSW manufacturing, where the UK is seeking to overturn the advantages overseas manufacturers have amassed through Government support, sunk costs, accumulated economies of scale and extensive experience.

# [REDACTED]

[REDACTED]

**Seed capital** funding will be deployed across our tax sites to address early set up and enabling costs which can have a disproportionate impact on viability because they come a long way ahead of customer commitments.

**Customs sites** will provide incremental benefits [REDACTED]

[REDACTED]

Estimates from English Freeports suggest that **retained Non-Domestic Rates** can be worth as much as the core tax breaks. These revenues are dependent on the delivery of new development on tax sites, which means they act as a multiplier on initial success, creating a virtuous cycle. [REDACTED]

[REDACTED]

Our private partners value our approach to supporting programmes, both for the up-skilling, re-skilling and community benefits they provide, but also because they support their own investments by bolstering the supply side. [REDACTED]

[REDACTED]

The impact of these specific measures on our regional economic and environmental measures of success mean that **our strategy is aligned** with the Levelling Up White Paper, National Strategy for Economic Transformation, Scotland's Vision for Trade, Shaping Scotland's Economy: Scotland's Inward Investment Plan and the National Transport Strategy.

## Inputs and activities

One of our most important inputs is establishing the **coalition of partners** who have organised themselves into OCF, a rapidly growing group of private, public and academic organisations (30 and counting), spearheaded by our Trust Ports, which have an explicit duty to all local stakeholders via trustees.

OCF was established in early 2020 to deliver a successful Green Freeport, and its members have made significant financial [REDACTED] and non-financial commitments, including procuring the advice of experts deeply involved in three of the eight English Freeports and building up resources for future development phases.

The Highland Council is a founder member and has recognised the opportunity in its indicative Regional Spatial Strategy and the draft Local Development Plan. The regional development agency, Highlands and Islands Enterprise (HIE) has supported OCF since its initiation.

[REDACTED]

[REDACTED]

Our approach to **Tax Site Delivery Agreements** provides confidence that activity will not displace investment from elsewhere and that Fair Work commitments will be honoured (e.g. paying the real living wage and prohibiting inappropriate use of zero-hours contracts).

**Planning is aligned.** The Highland Council has an excellent record in expediting major applications. It is routinely named within the top 10% of Scottish planning authorities for dealing with Major Applications. All sites have allocations within the adopted and emerging Local Development Plan and the Council is committed to engaging with key agencies and exploring tools such as Masterplan Consent Areas. Partners have a strong relationship with Marine Scotland for marine licensing matters.

The Green Freeport Company will provide **marketing and inward investment support**, working alongside Government (including building on the recent DIT HPO for FOW in the Cromarty Firth), to attract interest in Green Freeport sites.

**Governance is in place.** We have established a company limited by guarantee and have agreed a Board which reflects ‘dual key’ private and public sector decision-making. A formal role will be provided in the governance structure for a Workers’ Committee, and we have secured the services of [REDACTED]  
[REDACTED] **as Independent Chair.**

Operational costs will be funded by partners benefitting from tax and customs measures, enabling retained rates to be fully invested directly in **supporting programmes and infrastructure** (potentially used to service Council borrowing as a means of bringing forward investment).

Our coordination offer.[REDACTED]

# [REDACTED]

## Outputs and outcomes

### Objective 1: Regeneration, high quality jobs and levelling up

Our proposals deliver **widespread regeneration**: [REDACTED]

# [REDACTED]

New manufacturing capacity (provided by both existing firms and new entrants) will bring **transformational direct employment effects** – with an estimated 15,000 direct year-round, long-term and stable jobs in sectors – renewable energy, life sciences, marine technology – with a higher GVA than the current regional average; and a further 10,000 indirect jobs. Local recruitment will be prioritised to equip local workers with the knowledge and skills they need to give them the best chance of success.

**These employment effects are more than sufficient to reverse the forecast decline in working age population in ICF over the next 20 years, shifting our economy to a positive growth opportunity and attainment cycle and building on the skills base we already have from our legacy energy innovation specialisms.**

This outcome will be reinforced by our supporting programmes to develop human capital and make the area more attractive to live and work. All facility owners have committed to becoming or remaining a signatory to **the Scottish Business Pledge** and encouraging their end users do the same. This will be **enshrined in Tax Site Delivery Agreements** and therefore a condition of tax site designation. To further align with the Fair Work strategy, there will be an effective voice for workers on the Company Board (via the Worker’s Committee) to directly influence policy and working practices.

We will use **new technology and our supporting skills programmes** to address gender imbalance and support people of all protected characteristics. Lifelong learning will be a key objective for the Skills Fund, building on our members’ heavy investment in workforce development. We will expand **pathway programmes** like PoCF’s provision of work for people recently released from Inverness prison. At Nigg Skills Academy (a not-for-profit training collaboration with UHI), 85% of unemployed personnel who attend via the Employability Fund / Job Centre Plus are successful in going directly into work.

The Powerhouse (OCF’s skills and innovation arm) has already started work on a **joint Community Sponsorship Scheme** with OSW developers and a National Renewables Skills Centre.

## Objective 2: Promoting the just transition to Net Zero

ICF's Green Freeport will play a disproportionately significant role in delivering national requirements for climate change.

[REDACTED]

[REDACTED]

In addition to accelerating the transition to net zero, this activity will provide local upskilling and re-skilling opportunities and create significant job opportunities in green sectors. Our approach to skills and employment (above) are designed to ensure this is achieved justly and sustainably.

**The Highland Council's proposed new Low Carbon Development Policy** includes a carbon emissions reduction standard as a requirement for planning applications, and a requirement that developments connect to or create a heat network where viable.

We will also continue to **decrease carbon emissions within the Green Freeport**. Each of our established facility owners has their own decarbonisation strategies, [REDACTED]

[REDACTED] These plans, and those of other local businesses, will benefit directly from investment in the Green Freeport – [REDACTED]

[REDACTED]

**To harness and support these port-specific and wider industry initiatives, a full regional and Green Freeport decarbonisation strategy will be developed during the business case phase**, including a comprehensive baselining exercise, establishment of targets and milestones, and a monitoring strategy.

## Objective 3: National hub for trade and investment

Investment in the Green Freeport will catalyse net increases in inward investment in our facilities, the Highlands and nationally, and significantly increase transactions in trade throughput through our ports, supporting the objectives of the Scottish Government's 'Vision for Trade'. It drives forward our existing Highland Investment Strategy.

[REDACTED]



[REDACTED]  
[REDACTED]

We will recruit a full-time trade and investment manager. OCF member Inverness Chamber of Commerce is BCC-accredited for trade documentation and regularly supports inbound and outbound trade missions. We are working with Scottish Development International (SDI) to be included in Government-level MoUs. We would benefit from ongoing engagement with the GlobalScots network and DIT (including the HPO).

#### **Objective 4: Hotbed for innovation and productivity**

Innovation and productivity in OSW generally, and FOW in particular, given its increasing role in electricity generation over time, is critical if the UK and Scotland are to benefit from cheaper green energy. Next week's independent Catapult FOW supply chain study points to these savings being dependent on geography and scale economies (supported by clustering and collaboration) in the early years followed by innovation in the later 2030s and beyond.

[REDACTED]

Support from our dedicated Powerhouse skills and innovation vehicle, drawing on private investment and retained rates generated by the early growth of the cluster, will act as an innovation multiplier and a space to develop and trial new R&D and technologies. The Powerhouse has over 90 member organisations across UK and Europe, including leading OSW developers, supply chain companies, universities and research institutions, such as University of St Andrews and National Manufacturing Institute Scotland. It is hosted by UHI. It will be led by industry requirements and will administer the Green Freeport Skills Fund, leading on identifying innovation investments, not just for OSW, but all aspects of the ICF programme, not least green hydrogen which remains an emerging technology. An example of its work is a recent DfT-funded feasibility study into fuel cells to convert ammonia directly into water and nitrogen, yielding electric power in partnership with University of St Andrews and two innovative SMEs; ZEM and LERG. [REDACTED]

[REDACTED]

Another OCF project helping innovators collaborate in new ways is the North of Scotland Hydrogen Programme. It recently funded a feasibility project into how distilleries in the region could use hydrogen to decarbonise, working alongside ScottishPower, Storegga and drinks giants Glenmorangie, Whyte and Mackay and Diageo.

[REDACTED]

[REDACTED]

## Question 3.1: Planning

### Introduction

This paper provides evidence and outcomes of our early discussions with the planning authority, The Highland Council, on how planning will aid the delivery matters related to a potential Green Freeport in Inverness and Cromarty Firth. It describes the robust framework provided by The Highland Council's development plan policies and site allocations, and how special measures will be utilised to deliver this transformational change. Further detail on this is set out in the attached spreadsheet as part of question 3.1.

### 1. Regional and national planning context

The proposal for a Green Freeport in Inverness and the Cromarty Firth is at the heart of The Highland Council's vision for the future. To inform national planning policy, The Highland Council has worked with local and regional partners to develop a Highland Indicative Regional Spatial Strategy to 2050, which was published in April 2021. It showcases the unique set of assets and resources that the Highlands contributes to the national setting and sets out how The Highland Council will collaborate with the Scottish Government and partner agencies at a national and local level to deliver on strategic national development priorities, outcomes and delivery mechanisms.

Opportunity Cromarty Firth and its Green Freeport proposal is central to this vision. OCF is identified as a Strategic Development Priority (cNDI15) and the Strategy states that a Green Freeport in the Cromarty Firth area is "perfectly placed to support the pipeline of multi-billion-pound offshore wind projects which lie off the coast and secure an economic and social legacy for the area. A Green (Free)port would provide a package of measures to stimulate further economic activity and investment."

This reflects The Highland Council's view that delivery of a Green Freeport can play a transformational role in supporting the region, Scotland and the UK to fulfil its potential as a globally competitive and sustainable economy which creates lasting high-quality employment, helping meet ambitious national decarbonisation targets, regenerating and strengthening communities and reversing demographic challenges.

The Highlands' rich natural assets and its pioneering role in the energy sector are already well established within the Scottish Government's existing National Planning Framework (NPF3). The draft NPF4 (published for consultation in November 2021) goes further by specifically referencing the importance of the Opportunity Cromarty Firth initiative: "Through Opportunity Cromarty Firth and other projects, new facilities and infrastructure will help ports to adapt, unlocking their potential to support the transition from fossil fuels through oil and gas decommissioning, renewable energy and low carbon hydrogen production and storage, and the expansion of supply chain and services. This will in turn benefit communities by providing employment and income for local businesses."

It is therefore clear that Opportunity Cromarty Firth benefits from being fully aligned with the vision, aims and ambitions of both regional and national planning policy, in recognition of its potential contribution to delivering the shared objectives of policy makers at all levels of government.

### 2. Local Development Plan

The Highland Council's development plan proactively steers and enables the delivery of many aspects of the Green Freeport through specific site allocations, whilst planning policies explicitly support the principle of new and emerging business and industrial development on suitable non-allocated land.

The Council adopted the Highland-wide Local Development Plan (HwLDP) in 2012 and the Inner Moray Firth Local Development Plan (IMFLDP) in 2015. The Council is currently reviewing the Inner Moray Firth Local

Development Plan (the draft IMFLDP2 was published in March 2022), and this is providing an ideal opportunity to refine and tailor site allocations and policies to support delivery and the wider objectives.

Renewable energy and life sciences are identified as the most significant sectors for the region. All the sites included within this Green Freeport proposal benefit from having a positive planning status within the draft plan, which is currently out for consultation. Most sites have a specific allocation for business or industrial development in the existing adopted plan as well as in the new draft plan. Gaps in the allocation of tax site land within the draft plan are being reviewed as part of the response to the consultation.

### 3. Creating a supportive planning environment for delivery of the Green Freeport proposal

The Highland Council recognises the potential contribution of a Green Freeport to helping address key local challenges and is poised to proactively assist in streamlining its delivery. It is committed to using its role as planning authority to support the delivery of the proposal's expected impact on addressing deprivation, population decline and employment – impacts that could be transformational given the importance of tax site benefits to the delivery of offshore wind manufacturing capability (and hence jobs) on the huge scale required to meet government ambitions and the timetable for ScotWind. And with all of the proposed tax sites located in or close to areas identified in SIMD 2020 as being of higher-than-average deprivation, including a number in the highest 2 deciles, there can be confidence that the benefits will be localised and significant.

With members of the Council's Planning Service sitting on the Opportunity Cromarty Firth Steering Group since it started in February 2020, the specific planning requirements for the Green Freeport are well understood.

To support the delivery of Opportunity Cromarty Firth's ambitions, the Council will leverage its well-recognised track-record of enabling major investment and development proposals. According to the Scottish Government's latest Planning Performance Statistics, The Highland Council made the most decisions (2,212), and 66.1% of these were made in less than 2 months. The Council is routinely named within the top 10% of Scottish planning authorities for dealing with Major Applications. It has also won a number of awards at the Scottish Government's Awards for Quality in Planning.

The Council is committed to being proactive in finding ways to streamline the planning process to support developments within the Green Freeport, which will be especially important if the timetable for ScotWind is to be met.

Processing Agreements (which identify what information is required from all stakeholders involved and sets timescales for the delivery of various stages of the process) will continue to be used, as well as the Pre-Application Advice Service and the recently introduced Priority Determination Service. This has allowed major planning applications for economic development to be determined efficiently and on target. Recent examples include the £20m new East Quay at Nigg, dry dock extension at Kishorn Port, Space Hub Sutherland, Whyte and Mackay's anaerobic digester and several wind farm applications.

The Council will also positively consider, on a case-by-case basis, if the use of other tools, such as the introduction of Masterplan Consent Areas, could further expedite the planning process for Green Freeport sites.

The Council has a positive working relationship with the Key Agency Group which consists of representatives from a wide range of public sector agencies and statutory consultees. OCF intends to use this group as a sounding board to support the delivery of wider outcomes including those for local communities and the environment. A central focus of our work to date has been on information sharing and advising on alignment with environment and place-based priorities. It is proposed that these working arrangements continue to ensure the best possible outcomes at the local and national level. This will

include a clear link to the Board of the Green Freeport Company both through the Council and observer status on the Board for a representative of the Key Agency Group.

This approach represents an evolution of the Council's place-based approach, where investments and actions in these communities are better coordinated across partners. It will also directly complement the Climate Action Towns work that the Council is leading with Key Agency Group member, Architecture & Design Scotland, Scotland's design agency. Climate Action Towns is a Scottish Government funded project aimed at supporting towns to tackle the impact of the climate emergency. Two towns in the Green Freeport, Invergordon and Alness, have been selected for this key initiative. The project is engaging and empowering local people and organisations to take place-based climate action, which complements the OCF Green Freeport project very well.

Finally, it is recognised that broader development outcomes beyond economic development will need to be delivered to support the ambitious objectives of the Green Freeport. Housing is a good example of this and will be enabled by the Council's proactive role in supporting the delivery of housing for local communities, such as through the Highland Housing Hub (a collaborative partnership of the Council and other affordable housing providers in the region together with the Scottish Government, aimed at coordinating innovative and efficient affordable housing delivery solutions). [REDACTED]  
[REDACTED]

## 4. Transport

As a fundamental principle, the Green Freeport proposal seeks to make best use of existing assets, and this extends to the transport network.

The Inner Moray Firth region is already well-served by active travel, bus, rail and road infrastructure. Inverness serves as a major hub of activity for the region, and our Inverness Campus and Port sites both benefit from strong multi-modal transport connectivity.

Beyond this, major strategic investment is already in place for multi-modal transport improvements, through the Inverness City Active Travel Network, Inverness Rail Station transformation, Dalcross Rail Halt (IABP) and Bus Partnership Fund. Together, these projects will further enhance the network so that the major new employment that a Green Freeport will attract in all locations will be supported by a multi-modal transport network where people can make genuine choices to walk, wheel, cycle or use public transport before using the car.

Following the successful award, work will be commissioned to develop an ambitious Travel Plan for the entire project, which will set targets, methods to measure their success, and mitigation to address any issues with meeting the targets. It is considered that this proposed approach closely aligns with the National Transport Strategy (NTS2), recognises the opportunities presented by Transport Scotland's draft Strategic Transport Projects Review (STPR2), and is supported by the emerging Transport Strategy and policy in IMFLDP. This will also include planning for the significant potential to decarbonise the transport sector (buses, rail and aviation) in the region (and more broadly) through the step-change in green hydrogen production catalysed by Green Freeport investment. Ember's plans to establish a charging facility for electric buses in the Inverness tax site will support these efforts too.

Bid development and approvals   Coordination and capacity building																																								
Launch of prospectus																																								
Bid submission																																								
Announcement of successful bids																																								
OBC development and approval																																								
Establishment of Delivery Board involving key local partners and Government departments																																								
Development of integrated delivery strategy and mobilisation plan (to coordinate with Govt)																																								
Regular updates and monitoring of integrated delivery strategy																																								
Powerhouse skills and innovation delivery vehicle - resource and capacity building																																								
Approval and designation of tax sites																																								
FIRI development and approval, and designation of customs sites																																								

Green Freeport decision

End of 5-Year core delivery period

Green Freeport operational

Green Freeport Company and governance set-up																																								
Articles of Association drafted and adopted																																								
Election of members and Board																																								
Transition from OCB Steering Group to Green Freeport Company																																								
Execution of Tax Site Delivery Agreements																																								
Recruitment of permanent management team																																								
Development and approval of Net Zero Strategy, Skills Plan, Innovation Plan and Trade & Investment Strategy																																								

Seed investment and supporting programmes																																								
Seed revenue funding received from Govt (three tranches assumed)																																								
Seed capital delivery plan development																																								
Retained Non-Domestic Rates investment plan development																																								
Skills fund investment plan development																																								
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Retained Non-Domestic Rates investment project delivery																																								

Monitoring, evaluation and reporting																																								
Monitoring and evaluation framework (including metrics) developed and approved																																								
Regular reporting by customs and tax site businesses to the Green Freeport Company																																								
Regular reporting by the Green Freeport Company to Govt																																								
Annual audit																																								

Tax sites																																								
Confirmation of tax site boundaries with Govt and legislation passes Parliament																																								
LRTT, enhanced SBA and capital allowances, Employer NICs and Non-Domestic Rates measures available																																								
Work with Govt to establish Non-Domestic Rates baseline																																								
Local retention of Non-Domestic Rates growth																																								

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Customs sites																																								
Confirmation of custom sites as part of OBC process																																								
[REDACTED]																																								
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Annual audit of security integrity at custom sites																																								

## Question 3.8: Preliminary risk management framework

### Introduction

OCF has maintained a strong focus on risk management during the development of this bid. This is evidenced, for example in the balanced portfolio approach to selecting tax sites to mitigate demand and viability risk. Furthermore, our plans for the investment of future revenues (e.g. seed capital and retained Non-Domestic Rates) have been designed to ensure deliverability risks can be addressed.

Once fully operational, Inverness and Cromarty Firth Green Freeport Limited (“the Company”) will establish a comprehensive Green Freeport Risk Management Framework, owned by the Board of Directors, that will establish the Company’s risk appetite and an organisational culture that remains focussed on risk management.

The purpose of this document is to provide an overview of the framework, as well as a preliminary Risk Register spelling out the initial key risks identified as part of the development of the proposal. Should the bid be successful, the framework and the register will be further developed during the business case phase.

### Objectives

The Company’s strategy for managing risk will be to develop and embed a culture where risk management supports the delivery of Green Freeport outcomes. This will involve ensuring that the Company and the Board has a strong risk management framework to assure itself that risks are appropriately identified, assessed, mitigated and managed.

The framework will support the delivery of the following objectives:

- Help the Board assess and focus on the most significant risks for the Green Freeport.
- Help the Board make decisions and take action with a full understanding of the risks and uncertainties faced, together with mitigation and management strategies.
- Improve the probability of achieving the Company’s stated objectives.
- Increase the Green Freeport’s resilience.
- Widen the understanding of significant risks across the Company and the Green Freeport, together with the mitigation and management actions implemented.
- Ensure that risks are managed and mitigated at the most appropriate level.
- Enable risks to be escalated, where appropriate.
- Inform decisions and actions on internal controls and governance.
- Support continuous improvement across all aspects of delivery of the Green Freeport outcomes.

### Risk management definition

Risk management is the process of identifying significant risks to the achievement of strategic and operational objectives, evaluating their potential consequences and determining and implementing the most effective way of controlling them.

There are three aspects of this definition that should be noted:

- 1) Risks may have positive as well as negative consequences. For example, if the Company did not take calculated risks, it is possible that improvement and innovation will be limited. Indeed, the creation of OCF and bidding for Green Freeport award itself would not have materialized without some considered risk.
- 2) The focus will be on the most significant risks. It is anticipated that insignificant risks will not be reported. These may be risks that are managed well, thoroughly understood and are very unlikely to occur, or whose consequences would be relatively insignificant. They should be managed through normal business practices.
- 3) The most effective way to control some risks may simply be to continue monitoring the risk.

## Risk management process

The risk management process will follow standard corporate risk assessment and management techniques, outlined in Figure 1 below.

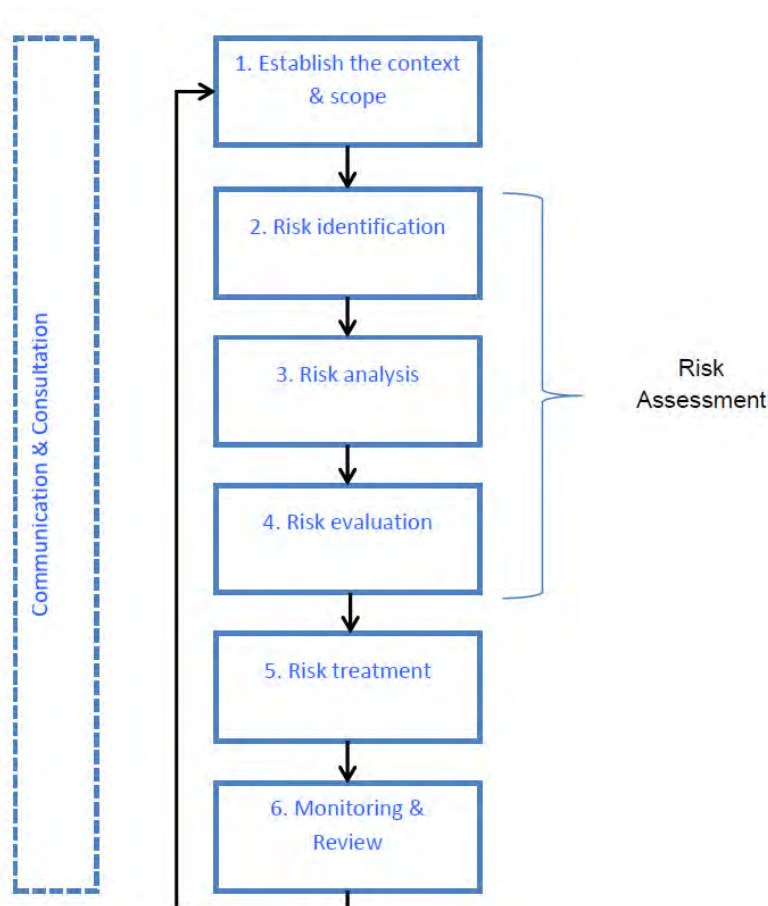


Figure 1. Risk management process

The risk assessment stage (steps 2 to 4) will be supported by a Risk Register and Risk Assessment Matrix.

Each of the key identified risks will be recorded in the Risk Register and will be prioritized based on risk rating. This will allow follow-up actions to be prioritized and allocated to identified risk owners.

The Risk Register will include a description of each risk, potential consequences, likelihood and magnitude, assessed risk grade, whether the risk grade is acceptable, mitigations, and early warning factors / upward



reporting thresholds. Where mitigation and / or management action is required, the risks will be re-assessed to determine the effectiveness of the actions in reducing the level of risk initially identified.

A full register will be developed during the business case phase. A preliminary version of the register is provided in Appendix A.

The entries in the Risk Register will be based on the Risk Assessment Matrix outlined in Figure 2 below, where each identified risk will be assessed using probability and consequence criteria to determine the overall risk rating.

		Risk Matrix				
PROBABILITY	VERY LIKELY	High	High	High	Significant	Medium
	LIKELY	High	High	Significant	Medium	Low
	POSSIBLE	High	Significant	Medium	Medium	Low
	LIKELY	Significant	Significant	Medium	Low	Low
	VERY UNLIKELY	Significant	Medium	Low	Low	Low
		A	B	C	D	E
		SEVERE	MAJOR	MODERATE	MINOR	INCIDENTAL
		CONSEQUENCE				

Figure 2 – Risk assessment matrix

## Roles and responsibilities

Specific roles and responsibilities are outlined in the table below.

Role	Responsibilities
<b>Board of Directors</b> (see Note 1)	<ul style="list-style-type: none"> <li>Own and keep under review the Green Freeport Risk Management Framework.</li> <li>Establish an organisational culture focussed on risk management.</li> <li>Establish the Company's risk appetite and escalation and reporting procedures.</li> <li>Promote and support risk management throughout the Company.</li> <li>Ultimate responsibility for ensuring risks are identified and managed within the associated risk appetites.</li> <li>Review the Risk Register bi-annually.</li> </ul>
<b>Company Managing Director</b>	<ul style="list-style-type: none"> <li>Accountable to the Board for risk management.</li> <li>Ensure the Risk Register is maintained and updated and reflects any new or emerging external and internal risks.</li> </ul>

(see Note 2)	<ul style="list-style-type: none"> <li>• Allocate owners for each risk.</li> <li>• Monitor progress in managing risks, to ensure agreed actions are taken timeously.</li> <li>• Ensure all stakeholders are aware of the risks when taking decisions by providing timely and quality information.</li> <li>• Ensure risks are considered as part of any significant projects, contracts or partnerships.</li> <li>• Consider risks escalated from a service, project or contract for inclusion within the Risk Register.</li> <li>• Encourage a culture of openness to allow risks to be identified and fully considered.</li> <li>• Actively encourage a culture of learning from risk events when they happen.</li> <li>• Share and disseminate best practice and risk management guidance.</li> <li>• Review the Risk Management Strategy in accordance with Company policy.</li> <li>• Advise the Board timeously of any new or emerging risks or significant increases in the severity of any known risk</li> </ul>
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**Note 1.** The Board may establish an Audit, Risk and Finance Committee. If it does so, the Board will delegate to the Committee responsibility for ensuring risks are adequately managed and reported. The Committee will assist the Board in its ongoing oversight of governance and risk and keep the Risk Framework and systems under review and make recommendations to Board on any actions to be undertaken.

**Note 2.** The Managing Director may delegate responsibility for certain risk activities, such as the ‘day-to-day’ maintenance of the Risk Register, to a member of the Company staff.

## Training

All Company staff and Directors will be required to undertake regular risk management training.

## Appendix A – Preliminary Risk Register (prioritised by rating)

No	Risk name	Description	Potential consequences	Probability	Consequence	Rating	Responsible party	Mitigation
1	Coordination with other programmes and funding initiatives	[REDACTED]	[REDACTED]	Possible	Severe	High	OCF / Green Freeport Company, Government.	[REDACTED]
2	Deliverability of investment on tax sites	[REDACTED]	[REDACTED]	Unlikely	Severe	Significant	OCF / Green Freeport Company, facility owners.	[REDACTED]
3	Planning	[REDACTED]	[REDACTED]	Unlikely	Major	Significant	Developers, The Highland Council.	[REDACTED]

4	Availability of tax reliefs	[REDACTED]	[REDACTED]	Unlikely	Major	Significant	OCF / Green Freeport Company.	[REDACTED]
5	Skills and supply chain	[REDACTED]	[REDACTED]	Possible	Major	Significant	OCF / Green Freeport Company, facility owners.	[REDACTED]
6	Ancillary infrastructure	[REDACTED]	[REDACTED]	Unlikely	Moderate	Medium	Developers, The Highland Council.	[REDACTED]
7	Value leakage, displacement and abstraction	[REDACTED]	[REDACTED]	Possible	Moderate	Medium	OCF / Green Freeport Company, facility owners.	[REDACTED]

8	Deliverability of customs sites	[REDACTED]	Very unlikely	Major	Medium	OCF / Green Freeport Company, customs site operators.	[REDACTED]
9	Green Freeport Company operating funding	[REDACTED]	Unlikely	Moderate	Medium	OCF / Green Freeport Company, facility owners.	[REDACTED]
10	Innovation	[REDACTED]	Possible	Moderate	Medium	OCF / Green Freeport Company, facility owners.	[REDACTED]
11	'Inappropriate' development on tax sites	[REDACTED]	Unlikely	Minor	Low	OCF / Green Freeport Company, facility owners.	[REDACTED]

12	Government funding	[REDACTED]	[REDACTED]	Very unlikely	Moderate	Low	OCF / Green Freeport Company.	[REDACTED]
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Kate Forbes MSP  
Cabinet Secretary for Finance & Economy  
Scottish Government  
Edinburgh EH1 3DG  
**Sent via Email to:**  
[kate.forbes.msp@parliament.scot](mailto:kate.forbes.msp@parliament.scot)

The Rt Hon Michael Gove MP  
Secretary of State for Levelling Up, Housing  
& Communities  
2 Marsham Street  
London SW1P 4DF  
**Sent via Email to:**  
[michael.gove.mp@parliament.uk](mailto:michael.gove.mp@parliament.uk)

RB/rm  
16<sup>th</sup> June 2022

Dear Ms Forbes and Mr Gove

### **Opportunity Inverness & Cromarty Firth Green Freeport**

I am delighted to confirm the full support of The Highland Council for the proposal for a Green Freeport in Inverness and the Cromarty Firth and I commend this bid to you as a vital means of securing our collective drive towards a net zero economy. The Highland Council is the local and planning authority for all tax and customs sites proposed within the application, which are all located in the Inner Moray Firth area.

Highland is blessed with outstanding natural resources, a dynamic business and academic base, vibrant culture and creativity, excellent quality of life and a strong sense of community and belonging. But across the region we face significant challenges which mean we need to take every opportunity to harness these baseline strengths to promote sustainable economic growth and improved social inclusion.

In this context, it is our assessment that a successful bid for a Green Freeport located in Highland would, quite simply, be a game-changer for the area, and for Scotland. This is because, in the first instance, the Cromarty Firth is the only location in Scotland able to deliver on the ambitions for offshore wind of the magnitude required in the UK Energy Security Strategy. This cannot be delivered without a Green Freeport.

It is also because, supported by Green Freeport levers, there are significant opportunities to support private investment in bringing forward new business and jobs in exciting innovative sectors [REDACTED]  
[REDACTED]

The breadth and scale of this opportunity is why we as a Council have long recognised the importance of the Green Freeport programme for Highland as part of our investment strategy [www.investhighland.com](http://www.investhighland.com), and which is reflected in our Indicative Regional Spatial Strategy and emerging Inner Moray Firth Local Development Plan.

We are more than ready in Highland to capitalise on the opportunity. Not only do we have the right geographical and physical conditions, but we are developing and improving our infrastructure and we have the ambition to lead the way in reducing carbon emissions.

**Councillor Raymond Bremner**  
Leader of The Highland Council  
The Highland Council, Glenurquhart Road, Inverness, IV3 5NX  
Tel no: (01463) 702856 Mobile: 07787 836402  
e-mail: [raymond.bremner.cllr@highland.gov.uk](mailto:raymond.bremner.cllr@highland.gov.uk)

Achieving the £314m Inverness and Highland City-Region Deal in 2017, underpinned by Scottish and UK Government and Highland Council funding, was fundamental in helping to lay the foundations for growth in this area. The promise of this Deal was to set the scene for levering in additional hundreds of millions in private investment. A successful Green Freeport bid would certainly deliver on this promise. The support and backing of global leaders in industry is testament to this.

To ensure this transformational potential can be delivered, The Highland Council has been central to the development of the bid as an active member of the Opportunity Cromarty Firth partnership since its inception. We confirm that we stand ready to play a leading role in its implementation.

Specifically, I confirm that:

- The Highland Council will act as the Accountable Body for the Green Freeport. The Council will be accountable to Government for the Green Freeport's allocated revenue funding and seed capital funding.
- The Highland Council will be accountable for the expenditure of locally-retained growth in Non-Domestic Rates on tax sites. While the Green Freeport Company will lead on the development of proposals for the investment of these funds, The Highland Council will sign off all distributions.
- As planning authority, The Highland Council will do all in its power to support developers on Green Freeport sites through the planning process. Most of the land in the proposed tax and customs sites have a specific allocation for business or industrial development in the existing adopted Local Development Plan as well as in the emerging new plan. Many already have approved planning. We have an excellent track record of enabling major development proposals. We are committed to continuing to be proactive in streamlining the planning process to support developments within the Green Freeport, for example through the use of Processing Agreements, Masterplan Consent Areas if appropriate, and engagement with our Key Agency Group for Highland.
- The Highland Council will have the right to appoint a member to the Green Freeport Company Board of Directors, and we commit to engaging fully and constructively in the future governance arrangements to ensure timely delivery of identified outcomes.

We are confident we have developed a compelling and evidence-based proposal for your consideration, and one which demonstrates the impact that a Green Freeport in Highland can have. Please do not hesitate to get in touch with me, or a member of my team, if there is anything that requires clarification or any further detail required.

Yours sincerely

[REDACTED]

Councillor Raymond Bremner  
**Leader of The Highland Council**

**Councillor Raymond Bremner**  
Leader of The Highland Council  
The Highland Council, Glenurquhart Road, Inverness, IV3 5NX  
Tel no: (01463) 702856 Mobile: 07787 836402  
e-mail: [raymond.bremner.cllr@highland.gov.uk](mailto:raymond.bremner.cllr@highland.gov.uk)





Green Freeports Team  
Department for Levelling Up and Communities (DLUHC)

17 June 2022

Dear Sir/Madam

### **Opportunity Cromarty Firth Green Freeport Submission**

On behalf of the Highland Economic Recovery Partnership, we are writing to express our support for the Opportunity Cromarty Firth Green Freeport submission. A Green Freeport will cluster the offshore wind, green hydrogen and life science opportunities around Inverness and the wider Highland business community and nationally significant strategic locations, in particular the Cromarty Firth. It will capitalise on the world's most productive renewable resources, build on decades of hydrocarbon expertise and investment, and accelerate transition to a net zero economy.

# [REDACTED]

This ambitious bid is not just about realising the full renewable energy potential from offshore wind. The focus on early deployment of offshore wind resources is simultaneously driving development of the green hydrogen economy. A successful bid will ensure our region is at the heart of large-scale developments and export opportunities, which will be of benefit to the economy of the whole of Scotland and the rest of the UK.

The Opportunity Cromarty Firth Green Freeport is well aligned with the Government's objectives for Green Freeports: to promote regeneration and high-quality job creation, promote decarbonisation and a just transition to a new zero economy, establish hubs for global trade and investment, and foster an innovative environment.

The Green Freeport proposal will build on key innovation and energy assets to drive growth, investment, and research and development – making a material and significant contribution to meeting Scotland and the wider UK's net zero targets.

We look forward to working with Opportunity Cromarty Firth on the further development of the Green Freeport and supporting the governance and management arrangements that will ensure its future success and optimise the economic and environmental benefits it will deliver for these islands.

We respectfully commend this submission to the attention of the selection panel.

Yours sincerely

# [REDACTED]

J. Stuart Black  
Chief Executive  
Highlands and Islands Enterprise

Stewart Nicol  
Chief Executive  
Inverness Chamber of Commerce

## Response ID ANON-3DZF-Y4WY-M

Submitted to Green Freeports in Scotland bidding portal  
Submitted on 2022-06-20 09:11:15

### Before you start

#### Introduction

Do you agree to the privacy notice?

I have read and agree to the privacy notice:  
Yes

#### Applicant information (1/2)

What is your name?

This should be the name of the person who will be filling in the Green Freeports application form.:  
[REDACTED]

What is your email address?

All correspondence will be sent to this email address.:  
[REDACTED]@glasgow.gov.uk

#### Applicant information (2/2)

1.1 Please submit a proposed name for your Green Freeport. This should clearly distinguish it from any other potential Green Freeport proposals.

Green Freeport Name :  
Clyde Green Freeport

1.2 Please provide the name and contact details for the Senior Responsible Officer for the programme.

Enter the officer's name and contact details here::

[REDACTED]

Director for Regional Economic Growth  
Glasgow City Region  
Floor 2, 231 George Street  
Glasgow G1 1RX

[REDACTED]

Email: kevin.rush@glasgow.gov.uk  
Web: www.glasgowcityregion.co.uk  
@GlasgowCityDeal

1.3 To assist us in considering the impacts of your proposal, please provide us with information on the impacts you have identified against each of the nine protected characteristics. This information will not be subject to an assessment process. If you have any supporting documentation on the impact of your proposal please upload it to the SharePoint folder (optional).

Please enter your answer here (250 words max.) :

EqlA and Fairer Scotland Duty screening has been completed and will be published in line with legislation. Potential negative impacts identified for four of the nine protected characteristics and mitigations:

- Disability - Supports will be put in place for different types of disability (e.g. supported employment for people with learning disabilities). Use of existing schemes (Disability Confident Employer/Carer Positive Employers Award/Scottish Business Pledge) will be encouraged through conditionality clauses and monitoring
- Women - Existing programmes to encourage women into STEM will be targeted at CGF businesses. Childcare planning will enhance access to affordable childcare considering hours/work patterns of opportunities created (also ensuring Real Living Wage for Early Learning and Child Care providers). Travel planning will consider safety and gender.
- Age - Air Quality/Noise can affect older/younger people and those with existing health conditions. Travel to work costs higher for people aged 22+. Noise reduction measures and travel planning implemented for each site.
- Socio-economic disadvantage - Labour market participation programmes will be targeted to disadvantaged groups. Development pipeline for skilled jobs will include fully funded apprenticeships and long-term access to training/qualifications. Travel planning will ensure links to deprived areas. All employment opportunities created will pay the Real Living Wage. Will seek to ensure contractors delivering construction contracts implement recommendations of Fair Work in Scotland's Construction Industry - The Fair Work Convention.

All elements will be examined in the full assessment for potential inter-sectional issues (multiple disadvantage). Will target Regional Economic Strategy Fair and Healthy Work Programme support to CGF businesses.

## Gateway Criteria (1/5)

1.4 Please upload the following pdf files legible at A3 to the SharePoint folder you have received a link for:

1.5 Please also upload an ESRI Shapefile or Vector Geopackage version of each map uploaded at 1.4 to the SharePoint site.

1.6 Please provide evidence (e.g. letters) that landowners have signed up to your vision for the proposed tax site, associated land use, and will take appropriate steps to ensure development on the site aligns with the Green Freeport's objectives and those of the wider Green Freeports policy. Evidence should be uploaded to the SharePoint folder.

Please explain how and why government can have confidence that the tax site will be delivered in line with your vision. (250 words max.):

All landowners of our tax sites [REDACTED] have demonstrated in their letter their strong and enthusiastic support to developing their sites in line with the vision of the Clyde Green Freeport (CGF) and wider national policy. The private sector partners [REDACTED] who own the majority of the land included within the Bid are committed to developing and decarbonising their sites. They have provided the costs and their committed investment plans to develop their sites and deliver the CGF in the financial case (see 3.9). They have already been working with their relevant local authorities/partners on site masterplans and associated funding applications/business cases [REDACTED] meaning that cluster tax sites are well advanced in the planning application process and the completion of enabling infrastructure. The Bid development process has resulted in additional commercial interest from follow-on investors for commercial space on the proposed tax sites as set out in the Commercial Case. This added commercial confidence from Green Freeport status will see all site owners accelerate their planned investment, leading to earlier and more high-quality jobs and productivity growth as well as advancing national net zero targets through major reductions in the emissions in Scotland's supply chains and logistics networks, maritime trade and aviation. Governments can take confidence from the range and number partners that have signed up to back the CGF and to work in partnership to deliver success.

## Gateway Criteria (2/5)

1.7 For each customs site, please upload a signed letter from the site operator confirming that:

1.8 Please upload written confirmation of support for your application from your local authority or local authorities and (if you have their endorsement) Regional Economic Partnership (REP). The only mandatory signatories required from the leader of local authorities to pass the pass/fail are:

1.9 Explain how your Green Freeport Outer Boundary represents a credible, coherent economic geography? Please provide clear rationale.

Please enter your answer here (500 words max.):

Glasgow City Region's (GCR) economic footprint is based on its historic lifeblood, the River Clyde. The proposed outer boundary represents this coherent geography including central Glasgow, the historic industrial core, areas focused on newer industries like [REDACTED] [REDACTED] 50% of the most populous areas in Scotland are within 7 miles of the proposed boundary. The geography of current economic infrastructure together with the future potential set out in this proposal presents a compelling rationale for the inclusion of the identified clusters. The total area included within the boundary is 609km<sup>2</sup> below the limit implied by a 45km diameter circle. GCR is the heart of the Scottish economy hosting many leading national and international firms. c. 28% of Scottish businesses, 33% GDP and £46.8bn GVA. The proposal includes an enviable Innovation and Education sector: designated innovation centres (including GCID, GRID, IBioIC and AMIDS) all working with industry supported by Glasgow, Caledonian, West of Scotland and Strathclyde Universities, providing new talent for high skilled jobs. Eight Local Authorities formed the GCR in 2014 recognising the linked economic geography and are implementing shared economic priorities through the City Deal. The Regional Economic Strategy sets objectives to be the most inclusive and productive economy and the most advanced region for net zero by 2030. GCR led the region's COVID recovery response, provides regional leadership across skills, innovation and net zero hosting the COP26 summit. This economic geography has a single transport planning authority. The tri-modal bid offers unique flexibility to access international markets. [REDACTED]

[REDACTED]

[REDACTED]  
[REDACTED] (CGF) is 53km.

Total edge to edge Clyde Green Freeport

The trimodal ports have overlapping hinterlands, catchment areas and supply chains. Glasgow's broader infrastructure has been built up to serve these locations. New investment such as the Clyde Metro will enhance sustainable transport links to the clusters and optimise their employment catchment, including to those more deprived neighborhoods.

The above argues that an appropriate economic geography for CGF would be a wider but narrower shape, therefore significantly smaller than that of a 45km circle. To conform to the 45km limit, a boundary is proposed [REDACTED]

[REDACTED]

## Gateway Criteria (3/5)

1.10 Please provide rationale for all proposed customs sites, including:

Please enter your answer here (500 words max.):

Clyde Green Freeport (CGF) propose custom sites at [REDACTED]. These sites create a regional portfolio of trade options with the different modes complementing each other. They share overall catchment areas [REDACTED] [REDACTED] Fast moving perishable goods have an air option whereas other goods can be consolidated to move in bulk by rail or sea. This portfolio offers flexibility to Scottish exporters, preserves inter modal competition and unlocks the trimodal potential of the Green Freeport. The sites serve a wide range of customers across the broader geography providing access to international markets.  
Customs site use and outputs/benefits:

[REDACTED]

These proposed facilities and trade options will create new jobs and new trade volumes at these ports. Measures will further support jobs, particularly export related, across the broader GCR geography.

The Customs Zones have direct connections to all the English Freeports. Customers will have the opportunity to benefit from the simplified rules of moving cargo between customs sites. This will increase business efficiency and stimulate greater trade volumes and help open export markets for Scottish companies generating new jobs across the region.

Given the positive publicity around Green Freeports, we anticipate that an announcement of a successful CGF bid will encourage other entities within the region to seek Custom Zone status and we are ready to guide them through the approvals process.

1.11 Does your Green Freeport propose any customs sites outside the Outer Boundary? If yes, please provide a written submission with clear and specific reasoning justifying such additional proposals and how it relates to the wider Green Freeport.

If yes, please provide a written submission with clear and specific reasoning justifying having a customs site outside the outer boundary (300 words max.):

Our alternative Outer Zone better reflects the economic and physical geography of the GCR and includes [REDACTED] [REDACTED] parts of which are more than 45km apart. [REDACTED]

[REDACTED] If the outer boundary is to be drawn to exclude these sites, then we would wish to include them as out of area Customs Zones. The status will allow operators to attract additional cargo by providing an improved service supporting jobs and exports. Not including these terminals restricts customer choice in terms of route to market.

[REDACTED]

Greenock Ocean Terminal handles c. 60,000 containers annually growing to 120,000 serving global destinations. Its West Coast location coupled to container services to key North Atlantic trade ports like Liverpool, other UK and European container ports, offer sea routes to importers and exporters. Clydeport has a strong reputation and ability to handle project cargo which may attract tariff. The customs zone may benefit such customers creating competitive advantage.

There are potential custom sites outside GCR which have an economic catchment area that overlaps with CGF. As such, and to help ensure the benefits are spread widely across the country, we intend to hold discussions with such potential custom sites at OBC stage.

1.12 N.B: This question has been deleted. Please refer to the clarification questions published on the 19th of April 2022 for details.

Gateway Criteria (4/5)

1.13a Please provide clear economic rationale for the tax site(s), including an explanation for the proposed location(s) and why it represents good value for money.

Please enter your answer here (200 words max.):

The three tax sites, represent diverse opportunities capitalising on existing Glasgow City Region (GCR) sectoral strengths whilst delivering levelling up opportunities across GCR and to address the most deprived communities within GCR.

Value for money (VFM) is delivered through co-location with existing economic assets, connectivity, City Deal investments and ongoing private sector investments.

[REDACTED]

[REDACTED]

Each site forms its own distinct employment cluster. The economic activities to be undertaken at each complements rather than detracts/displaces investment made in other UK Freeports as evidenced by letters of support, further enhancing the overall UK VFM of all freeport investments.

[REDACTED]

The sites secure the realisation of the follow-on investment for 3 City Deal enabling work projects, enhancing the value for money of this initial investment.

1.13b Please provide the management approach to each tax site.

Please enter your answer here (200 words max.):

Site Management - CGF will develop gateway policies with each tax site owner as part of the OBC development process to manage benefit delivery to include measures to withhold discretionary benefits unless key elements of the policy, such as security, decarbonisation and additionality are supported.

CGF will develop the overall governance and management arrangements for the three clusters, with this tailored to individual sites as required. The CGF will seek to learn lessons from the English Freeport operators and Governing Bodies which are already progressing with site management arrangements.

1.13c Please provide clear economic rationale for how tax measures will generate additional economic activity and how this aligns with the local sectoral vision.

Please enter your answer here (200 words max.):

Activity/alignment - The cluster sectors feature in the recent Regional Economic Strategy as 'high growth sectors...which capitalise on the Region's competitive advantages'. They build on existing investment, assets and represent the optimal choice to build on local strengths and address deprivation:

[REDACTED]

1.13d Please provide clear economic rationale for how your proposed tax sites meet the criteria for being underdeveloped and what works are required on the tax sites.

Please enter your answer here (200 words max.):

Underdeveloped - Sites are all underutilised, with strong evidence of potential investment growth:

[REDACTED]

Gateway Criteria (5/5)

1.14 How does the tax site locations mitigate displacement of local economic activity from disadvantaged areas?

Please enter your answer here (500 words max.):

The management of the CGF at regional, rather than individual local authority level, is the most important mechanism to minimise displacement from disadvantaged areas. The CGF is viewed as a regional asset bringing benefits on a region-wide scale. The region has a significantly higher concentration of deprived areas with 57% of the worst 15% Scottish Index of Multiple Deprivation (SIMD) data zones within the region. The region has extensive experience of managing the regional economy and has class leading tools for economic modelling and impact tracking. The region is experienced in managing displacement mitigation and will apply oversight processes that build upon those used in the £1.13bn City Deal.

The governance approach will mirror that used in our existing Enterprise Zones/Areas and for attraction of inward investment (e.g. £30bn Greenprint for Investment Prospectus) where investments proposal will be managed at a City Region level, ensuring both Subsidy Control Compliance and that

'boundary hopping' is avoided.

Competition for customers will be reduced by targeting businesses in innovative, expanding markets with a focus on [REDACTED] The Scottish Government has identified GCR as Scotland's only region with growth potential across all nine inward Investment target sectors. The Clyde's maritime sector has been identified as having capacity to take a larger share of growing global markets if investment can be attracted. AMIDS site will be home to NMIS and MMIC, two international innovation centres of advanced manufacturing expertise, supporting start-ups/wider supply chains in potential niche markets, minimising regional competition/displacement. [REDACTED] will underpin innovation and will ensure job opportunities are located within reach of residents in adjoining deprived SIMD areas.

Labour displacement risk will be further minimised by increasing the overall labour supply, with under/unemployed, economically inactive residents supported to return to the labour market. Our RES Fair and Healthy Work Programme will see Local Employability Partnerships work with site employers to ensure they provide fair and healthy work, targeted at residents of deprived SIMD areas, alleviating in-work poverty. Residents in deprived SIMD areas will also be supported to access locations through ongoing investment in the public transport/active travel routes, including through a range of City Deal and Levelling Up funded projects as set out Appendix 3.9.

Labour displacement is also being minimised by selecting multiple tax sites across the breadth of the region targeting investment across a broad range of sectors as opposed to concentrating jobs in one single site or focused on one sector. This will also reduce risk that companies will be competing for the same supplies/suppliers as they operate with very different supply chains. CGF will work with the GCR and the Supplier Development Programme to provide targeted support to raise awareness and grow businesses in supply chains.

The 2022 Ryden Scottish Property Review found a lack of industrial and logistics land supply in GCR, reducing the risk that tax sites will displace the "offer" available within other parts of the region outside the tax sites.

1.15 Please set out how you will meet the minimum standard of security and infrastructure required in customs and tax sites before being able to operate as a Green Freeport.

Please enter your answer here (500 words max.):

Clyde Green Freeport (CGF) recognises the paramount importance of maintaining security at Freeports and our potential tax and custom site operators against illicit activity, including organised criminal activity, money laundering, smuggling and people trafficking.

Minimum security standard met through:

- A Clyde Green Freeport Security Plan will be developed.
- Build on existing - There is already a sophisticated security regime in place at locations within the CGF which cover the obligations set out in Section 4.2 of the prospectus. For example, [REDACTED]

[REDACTED]

[REDACTED]

As such, we anticipate that our Security Plan will build on our partners existing arrangements with Police Scotland, HMRC, DfT and other security authorities.

- Security Commitment - partners have confirmed in their letters of support that they will adhere to the OECD Code of Conduct and audit the measures Customs Site operators propose to ensure compliance. Cyber threats will be secured against via continued adherence to relevant guidance/regulation, e.g. the Cyber Security Oversight Process for Aviation (CAP 1753). All Customs Sites will be fenced and subject to access control, amongst other measures.
- Support Site Owners - We will work closely with site owners to ensure the CGF receives the information it needs to comply with the prospectus requirements such as a register of businesses, subject to any commercial / security restrictions, operating within the Green Freeport. We will develop a robust pass down of security related risks to individual site owners to ensure compliance. We will work with Customs Site operators to ensure inventory systems are compatible with the Customs Handling of Import and Export Freight (CHIEF)/ Customs Declaration Service (CDS) systems.
- Security meetings - regular meetings of security representatives of tax site owners, Custom Site owners, their tenants, and end users to ensure that best practice is communicated and followed and that a robust risk register is maintained.
- Conditional Benefits - working closely with the respective rating authorities to ensure that any discretionary benefits to site owners/occupiers such as rates relief can only be received if security obligations are met.
- Establishing Governing Board to regularly review security risks and work proactively with our sites to ensure that robust mitigations are in place. The Governing Board will include representatives of our operators so the Board will have the knowledge and expertise to be able to interrogate the risk reports and understand where changes are required as the risk environment evolves.
- Freeport Best Practice - We would further anticipate working closely with other UK Freeports to ensure best practice from other sites is shared. CGF commits to undertaking an annual audit of security measures across the Green Freeport.

## Detailed application information - Criteria A, B, C, & D

2.1 Please upload a diagram of a logic model which gives an overview of the links between the activities and inputs, outputs, outcomes and impact of your proposed Green Freeport model. (max. 50Mb file limit.)

Please confirm this has been completed :

Yes

2.2 Referring to the logic model and section 2 of the prospectus, please explain how your Green Freeport proposal will meet Scottish and UK Government objectives and achieve the desired outcomes listed in this prospectus? Please complete this as a Word document and upload to the SharePoint (max. 5000 words incl. 250 word executive summary). As part of your answer, please cover:

Please confirm this has been completed :

Yes

## Detailed application information - Criterion E (1/4)

3.1 Describe the local authority current or planned planning applications for each tax, custom and key investment site. For each site please provide the following:

3.2 Please upload an Implementation Plan. This could take the form of a pictorial diagram, Gantt chart, timeline, flowchart or other graphical representation. (max. 50Mb file limit)

3.3 Please provide a written submission contextualising your Implementation plan, which sets out:

Please enter your answer here (1000 words max.):

### Governance

GCR has a proven track record of effective governance, most notably through City Deal, Innovation Accelerator and Shared Prosperity Fund management. Our initial proposal is for:

- The formation of an appropriate structure capable of delivering all of the requirements as set out in the Prospectus potentially through a Company Ltd by Guarantee;
- The Governance Body will:
  - o be balanced, with a maximum of 12 members;
  - o involve representatives of the five groups set out at section 4.3.1 of the Prospectus;
  - o be independently Chaired following a transparent selection process;
  - o include representatives of the three ports and a Local Authority (LA) representative from each of the three site clusters where the Green Freeports sites are located;
  - o establish decision-making structures which will preserve LAs' ability to be meaningfully accountable for the spending of public money including the management of seed capital funding and the reinvestment of retained rates. The arrangements will meet the necessary requirement for a 'supporting' LA accountable to Government for the expenditure and management of public money.
- Our governance structures will undertake the functions as set out at 4.3.14 and be supported by the existing GCR Portfolio Groups for Skills, Enterprise and Inward Investment.

### Choice of Milestones

To maintain pace through the delivery programme's critical path, six post-award milestones have been selected over the initial two-year phase:

- M1 "Establishment of the permanent governance and executive structure" is a key initial output, supported by strong transitional governance and development finance made available post-award.
- M2 "Substantive business case approval" is the subsequent key output and required to facilitate investment in sites. Work towards this milestone will require dedicated resource to secure funding.
- M3 "Tax site approval" will be key to attracting investors. Active and early engagement with HMRC and Border Force will be evidenced in the OBC.
- M4 "Site readiness for a programme of enabling works" is an essential output facilitated by development financing, and marks landowner agreement and the award of necessary consents.
- M5 "Commitment by 'keystone' operators" to setting up operations, providing a critical mass of investment.
- M6 "Achieving Customs Site security and compliance" is an output that will meet operators' investment conditions. This important milestone requires new infrastructure and approval by statutory bodies.

### Timings

Referring to milestones: strong transitional governance and partnership arrangements are in place giving confidence in the programme to permanent governance structures. Six months for business case development and approval towards a package of seed investment finance, also including necessary steps towards approval of tax sites, is ambitious and achievable and will require external support. [REDACTED]

[REDACTED] Physical infrastructure development post land assembly, including customs site security, will use partner authorities' existing framework suppliers to increase pace and GCR have delivered equivalent schemes in a similar timeframe. A number of 'keystone' operators are on board already and the other keystone operators have provided convergent timescales to commitment.

### Costs and resources

Indicative costs and resources by workstream are set out in section 3.2 (overall delivery). The core CGF Governance Board will lead on overall delivery, drawing on project-based support as required. Costs of the Finance workstream include business case development, outreach and negotiation with funding partners and input from legal and finance specialists. Site development as a workstream will draw on planning, estates, legal, tax, customs specialists as well as the civil engineering supply chain. Skills development programmes will build on existing provision, with new programmes reflecting and supporting our transformative ambition, facilitated by fresh investment. The engagement workstream will require additional capacity in communications, marketing and stakeholder engagement. In addition to the competencies set out, we will require project-based expertise in a range of programme, project and contract management skill areas. We are aware that some competencies referred to in s3.2 are in short supply in the UK market and this represents a risk to delivery at pace.

### Risks and issues

Our top outcome risk is lack of interest from investors / operators. Several process risks could lead to this materialising. These process risks could include overall cost escalation in particular concerning infrastructure, delays in securing development and delivery finance, weak supply chain leading to delivery delays, and partner LA resource. Failure to agree governance arrangements and community opposition to emergent schemes are present but lesser risks. Unexpected cost escalation in infrastructure improvement will be anticipated as far as possible using professional cost intelligence support and managed using in-programme prioritisation. Maintaining pace is essential and we will mitigate process risks by pre-positioning resource to support business case and match funding development and starting to identify potential resource bottlenecks areas in the supply chain and LA partners. Use of a professional programme management approach from award will track top risks and ensure risk management retains its profile during the first two critical years (as

used on Glasgow City Deal).

Contingency

A critical element of mitigation of our key outcome risk will be a 'no surprises' management culture with respect to investors and operators. Maintaining good communications will underpin broad buy-in. Concerning financing delays, we will look at the possibility of bridging finance and where possible implement low-cost actions to help maintain pace. We will plan for alternative resourcing options and the potential need for additional capital input to address supply chain and Local Authority partner gaps and weaknesses, while also ensuring we monitor schedules for bottlenecks. The strength of our transitional governance arrangements will prevent delays should there be a temporary failure to agree a permanent structure. Regarding community opposition to emerging schemes, open listening engagement to meet concerns is essential and should include local politicians and community representatives.

Detailed application information - Criterion E (2/4)

3.4 Please describe, with reference to your implementation plan when you will undertake activities set out in your response to question 2.2 that focus on regeneration and high-quality job creation.

Please enter your answer here (400 words max.):

Enabling Investment (Immediate: 2022-2023)

Infrastructure Regeneration (2022-2023) - Clyde Green Freeport (CGF) plans to regenerate:

[REDACTED]

(See 3.2 – Dependency – Green Freeport Tax Site, Seed capital).

Enhanced Cluster Development (Near Term: 2023-24) – Internal & external investment.

[REDACTED]  
[REDACTED]  
Private Investment)

(Dependencies Green Freeport Tax site, Seed Capital,

[REDACTED]  
[REDACTED]

(Dependencies: Green

Freeport Tax and Customs sites, Seed Capital, Private Investment)

Transformational Outcome (Medium Term: 2024-2027+) – Re-investment in Glasgow City Region innovation

[REDACTED]  
[REDACTED]  
Private Investment).

See 3.2 – Dependency – Green Freeport Tax site, enabling infrastructure<sup>[REDACTED]</sup> Seed capital &

[REDACTED]

[REDACTED]  
[REDACTED]

See 3.2 – Dependency – Green Freeport Tax Site, & Private Investment)

[REDACTED]  
[REDACTED]

See 3.2 –

[REDACTED]

<sup>[REDACTED]</sup> See 3.2 – Dependency – Green Freeport Tax Site, [REDACTED] Private Investment)

3.5 Please describe, with reference to your implementation plan when you will undertake activities set out in your response to question 2.2 that focus on decarbonisation and a just transition to a net zero economy.

Please enter your answer here (400 words max.):

Enabling Investment (Immediate: 2022-2023)

[REDACTED]

Enhanced Cluster Development (Near Term: 2023-24 years) – Internal & external investment.

[REDACTED]



[REDACTED]

[REDACTED] decarbonisation benefit within 2 years. (See 3.2 – Dependency – Green Freeport Tax Site & Private Investment)

Transformational Outcome (Medium Term: 2024-2027+) – Re-investment in Glasgow City Region innovation

[REDACTED]

[REDACTED]

3.6 Please describe, with reference to your implementation plan when you will undertake activities set out in your response to question 2.2 that focus on establishing trade hubs.

Please enter your answer here (400 words max.):

Enabling Investment (Immediate: 2022-2023)

[REDACTED]

[REDACTED]

Transformational Outcome (Medium Term: 2024-2027+) – Re-investment in Glasgow City Region innovation

[REDACTED]

3.7 Please describe, with reference to your implementation plan when you will undertake activities set out in your response to question 2.2 that focus on fostering innovation.

Please enter your answer here (400 words max.):

[REDACTED]

[REDACTED]

# [REDACTED]

Detailed application information Criterion E (3/4)

3.8 Please upload a risk management framework that shows how your governance board will manage risks to the SharePoint folder.

3.9 Please outline your preferred investment proposal including:

3.10 Please provide evidence of the commercial demand for:

Please enter your answer here (500 words max.):

We have undertaken detailed due diligence on the demand for the Clyde Green Freeport (CGF). This is reflected in the number of letters of support secured and the substantial investment planned at each location. The demand reflects the sectors being targeted by CGF [REDACTED] [REDACTED] This strong early demand affords confidence that a CGF is supported by market fundamentals and will develop at pace.

# [REDACTED]

# [REDACTED]

Detailed application information - Criterion E (4/4)

3.11 What considerations and mitigating actions will be taken into account for potential negative externalities (including the displacement of local economic activity from nearby disadvantaged areas) affecting your site and/or the surrounding area resulting from the introduction of the Green Freeport?

Please enter your answer here (500 words max.):

Business Displacement – At regional/national level.

Mitigation: Clyde Green Freeport (CGF) will be managed and monitored as a regional rather than local asset. The governance arrangements will ensure that only businesses that are either new to the region or expanding an existing presence will benefit from the incentives package available. The investment in the sites will generate positive externalities for the region's existing business base through proactive promotion of supply chain opportunities.

Labour shortages/recruitment difficulties - through diversion of labour to employment in CGF creating labour shortages for other firms in the region.

Mitigation: Unlikely to occur at CGF because the regional economy is not operating at full employment levels (71.6% employment rate in 2021 compared to 73.1% in Scotland and 74.7% in the UK). As the supply of unutilised labour exceeds the projected CGF demand, labour shortages elsewhere in the regional economy are unlikely to appear. Even when fully developed CGF employment will be a manageable, sectorally targeted component of that large

overall labour market (881,000 economically active in 2021).

Diminution of Employment Standards In wider GCR.

Mitigation: Businesses benefitting from Green Freeport status within the CGF will be expected to make a commitment to the Scottish Business Pledge, as a number already have. We anticipate this will have a net benefit for the region.

Environment Impact – Increase in manufacturing activity in CGF could lead to an increase in emissions as a consequence of direct activity and/or transport.

Mitigation: Many CGF occupants will be working in sectors and locations that are less carbon intensive than the wider economy. They also benefit from good public and active transport links and are focused on sectors seeking to decarbonise their products and operations. As such they are likely to drive a net reduction in average emissions per business/per capita. CGF occupants will be expected to commit to appropriate environmental standards in both production and operation, which will be at least as strict as those in the wider economy. GCR represents a third of Scotland's economy, so reducing average net emissions here will make a significant contribution to meeting net zero targets at Scottish and UK level. The additional focus on addressing emissions reduction through innovation will mitigate environmental impact.

House Price Rise – could be caused by a Green Freeport increasing demand for more housing. This could detract from the net economic impact in the area.

Mitigation: 50% of Scotland's workforce are within commuting distance of CGF, therefore reducing the scale of any adverse impact on housing affordability. GCR also has development plans in place to provide an additional 6,000 homes per year.

Industrial Land Shortage – in the GCR – particularly larger sites. (highlighted in "The 2022 Ryden Property Review")

Mitigation: It is precisely this gap in the market that the development of the currently vacant/derelict tax sites is intended to fill. The CGF offer is a different proposition to current provision and will not therefore trigger a significant shock to industrial region land values.

3.12 Please explain how your proposals will ensure compliance with all applicable environmental regulations and standards and if applicable, what further environmental standards will you stipulate and how will these be met?

Please enter your answer here (750 words max.) :

Clyde Green Freeport (CGF) will be delivered in accordance with environmental regulations and standards establishing itself as an exemplar development in stimulating and driving low carbon innovative technologies across all three sites. As noted in Section 2.2, planning of the sites will support decent, fair and high value work, low carbon investment and infrastructure, whilst delivering on national climate targets.

Outline Decarbonisation Plan

See Section 2.2. CGF sets out an ambitious decarbonisation target of 2040, 5 years ahead of Scottish and 10 years ahead of UK targets. The outline plan is as follows:

- Operations delivered in line with Science Based Targets to tackle net zero targets bringing emissions in line with Paris Agreement of below 2 degrees.
- Baseline current emissions.
- Emissions reductions of 70% by 2035.
- Creating low carbon supply chains.
- Support biodiversity / nature-based solutions.
- Establish climate change adaptation and mitigation measures for all sites.
- Align sites with global Sustainable Development Goals and national targets.
- Stimulate and support circular economy.
- Assessment of Scope 3 emissions by 2030.
- Low carbon investment and infrastructure including wind, solar and district heating, electric vehicles for all sites.
- Provide Carbon Literacy training across the CGF.
- Green jobs - All CGF jobs to be by 2040.

Environment Compliance - Site proposals will ensure environmental compliance through a process of management, guidance and audit.

Management -It is our aspiration to establish a Steering Group, including key regulators, to facilitate the environmental and sustainability ambitions of the CGF. The CGF Environment and Sustainability Steering Group (CGFESSG) would:

- Provide focus for stakeholder engagement, including local communities who will make a meaningful contribution to the success of CGF.
- Serve as a mechanism for delivery of CGF, providing the governance for environmental compliance, regulation, planning, engagement and net zero targets.

Organisations including [REDACTED] and others in the energy and eco-innovation community could support the CGF as a testbed for innovation that can accelerate the journey to net zero across rail, shipping and aviation, sharing lessons where appropriate and delivering change. Key stakeholders will be invited to sit on the ESSG.

Guidance – the CGFESSG would apply Scottish Government carbon guidance, including Green Book, in line with the City Deal infrastructure programme for CGF providing a unique opportunity to implement carbon management best practice at a national scale. CGFESSG will utilise established guidance to manage the decarbonisation of the CGF, including mitigation and adaptation measures for all sites.

Audit - Audits will be undertaken at strategic and site level to provide a baseline of regulation against which to develop our environmental action plan to include decarbonisation and climate change mitigation and adaptation issues.

Environmental Regulation

To support delivery of the CGF net zero ambitions and regulatory requirements it is intended that the CGFESSG group will be responsible for: -

- Establishing baseline environmental regulation, targets and standards.
- Developing detailed decarbonisation plan for new and existing infrastructure.
- Environmental impact issues including air and water quality, waste management, chemical treatment and handling; and any additional assessment of impacts on protected sites and species including climate mitigation.

- Reporting performance in line with Scottish Government, local government and sector targets.
- Advising on Planning matters.
- Assisting the development of site environmental action plans.
- Liaising with Port Health and regulatory authorities.
- Supporting training providers to develop skills and liaise with the Just Transition Commission to ensure fair and equal access to green jobs.
- Approve/support future low carbon technologies and innovations.
- Ensure sites are Bio-secure and ensure robust adherence to sanitary and phytosanitary (SPS) standards.
- Ensure adherence with Border Control Post for the performance of controls to ensure the protection of public, animal and plant health.
- Ensure delivery of CGF in accordance with Green Book on 'Accounting for the Effects of Climate Change'.
- Work with Skills Development Scotland to deliver the Scottish Government's Climate Emergency Skills Action Plan to deliver 20,000+ high quality green jobs.

#### Additional Environmental Standards

- All site infrastructure operations to be net zero by 2040.
- All fleet / site vehicles to be 100% electric / low carbon fuel (hydrogen, Hydrotreated Vegetable Oil etc) by 2040.
- 100% renewable energy for all sites by 2040 (heat and power) through local sources including heat from the River Clyde.
- All sites to be fully circular, supporting zero waste by 2040.
- Maintain principles of Just Transition Commission outcomes, linking to local Just Transition Skills Strategy.
- Develop a low carbon transport plan.

Environmental Impact Assessment . Subject to a successful application CGF will undertake an EIA before planned development.

### Detailed application information (4. Criterion F: A high level of private sector involvement in the proposal)

#### 4.1 Describe the primary types (including size and sector) of business:

Please enter your answer here (500 words and 10 SIC codes max.) :

GCR has a £10bn GVA productivity gap – driven by multiple factors including a lack of:

- Business dynamism – low enterprise rates (over 20% lower than the Scottish Average) coupled with too many businesses not scaling up
- R&D - GCRs investment in R&D per head was on average £238 between 2013-2020 – significantly behind the Edinburgh (£634) and Aberdeen (£518) Regions

- Exports – GCRs exports per job are over 50% and 150% lower than Edinburgh and Aberdeen

This culminates in GCRs GVA per worker (£32.6) being significantly lower than Aberdeen, Edinburgh and Stirling/Clacks regions –impacting employment opportunities and wages.

It is clear CGF is needed to catalyse our business base – with tax incentives encouraging investment, businesses to locate and supply chain growth.

#### Key Sectors

In selecting businesses and sectors, CGF has identified those with strengths, private sector appetite and real growth opportunities. Ones which align to global demands and don't compete with existing Freeports.

CGF has identified five key sector sectors already clustered around the three tax sites. Sectors which combine substantial private sector involvement and the expertise of our Innovation Districts.

**[REDACTED]**

Business Scale: there are over 10,000 businesses in these sectors (over 22% of the Region's total) – employing over 125,000 people (over 15% of the Region's total jobs)

Productivity Need: they have a £1.5bn GVA gap

Productivity Opportunity: they have the highest levels of export and innovation across the Region – and align with the strengths of our innovation districts (see 4.2)

Levelling Up Opportunity: they offer well paid / well skilled jobs. Across these sectors, over 40% of the workforce are qualified to SCQF level 7-10 and, median salaries are 35%-100% above those in our low pay sectors.

Decarbonisation Opportunity: CGF is supported by businesses such as **[REDACTED]** with the appetite to become net zero industry leaders.

Private Sector Involvement: Our proposal include a wide range of global transport and logistics companies such as **[REDACTED]** with a track record of investment in GCR.

Sitting alongside are medium size indigenous firms. **[REDACTED]** will use CGF to transform its business. In doing so, it will bring over £1.5bn in investment to the area. This will bring further investment in GCRs supply chain.

Within the key sectors, there are a series of sub-sectors where the Region has clear specialisation/concentration – measured using LQ and Shift Share analysis – that are part of the application.

**[REDACTED]**

Building our Local Business Base / Employment: CGF will work with our Innovation Districts to build on emerging SME clusters in these sectors. Benefitting from industry-spill overs, CGF will help pioneering SMEs like **[REDACTED]** make the next step to become major employers.

The wide range of sectors being targeted will ensure a range of job opportunities across occupation classes/skills levels, providing entry-level jobs with progression opportunities. Businesses will be supported to upskill employees, with support from NMIS's Manufacturing Skills Academy. Using Economic Complexity Analysis and qualitative research, GCF has identified businesses/sectors it aims to attract including:

# [REDACTED]

4.2 Please describe any formal agreements or commitments you have from businesses or other partners to support port and business development. Please upload any supporting documentation to evidence these commitments to the SharePoint folder. Bids that demonstrate genuine and tangible long term commitments from partners will score more highly.

Please enter your answer here (500 words max.):

Clyde Green Freeport's (CGF) bid has had substantial private sector involvement [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Set out in section 3.9, the investment committed by our partners is: [REDACTED]

These investments support key sectors and lead the race to net zero. The companies represented in our bid build on the key sectors and key existing investments such as those in innovation assets.

Over 60 private and public sector partners have signed up to the CGF Statement of Commitment [REDACTED]

[REDACTED] who are driving innovation and will align the CGF with our Innovation Accelerator.

CGF has received resounding support from operators based at English freeports, demonstrating how CGF will complement and amplify the opportunities across all freeports, rather than compete with, other UK freeports, and showing that CGF is unlikely to displace economic activity at a UK level.

Across each cluster, businesses have committed to support CGF (letters attached). [REDACTED] is committed to

doubling their Scottish supply chain over the next 5 years and consider CGF additionality as key to achieving this. [REDACTED]

[REDACTED]

local supply chain.

and grow

We are working with a number of renewable developers to establish [REDACTED] that could bring in £1bn of investment, create up to 10 000 jobs and provide fuel to over 3 000 HGVs (a quarter of Scotland's total) and significantly decarbonise the supply chain.

[REDACTED]

will increase the number of HGVs using ULCF in Scotland to 500 over the coming years and support a nationwide renewable fuel network for logistics. The [REDACTED] has committed their expertise in the digitalisation and decarbonisation of transport to support the CGF.

[REDACTED]

have committed to CGF as a means of

facilitating new global trading investment opportunities. [REDACTED]

[REDACTED]

On the Clyde, a long-term formal agreement is in place to drive forward port and business development on the Clyde. [REDACTED]

[REDACTED]

[REDACTED] At the other Clyde sites discussions are underway to bring [REDACTED]

[REDACTED]- enabled through Green Freeport additionality.

Before you Submit

Please confirm you have uploaded the relevant documents/information to your SharePoint folder:

Q1.4, Q1.5, Q1.6, Q1.7, Q1.8, Q2.1, Q2.2, Q3.1 (table), Q3.2, Q3.8, Q3.9 (table), Q4.2

Important: Applicants must submit material for all sections of 5.6 (Applicant information) and 5.7 (Gateway criteria). There will be no opportunities to submit additional information or documentation for this section. Any bids that do not pass every stage of 5.7 will not proceed to detailed application assessment. Are you sure you would like to proceed?

I would like to proceed with my application :

Yes

THE CASE FOR CGF

Need

Institution / Strategy

Strengths

Opportunities

Inputs

Activities

Outputs

Outcomes

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

## Executive Summary

The CGF 561ha development, £2.27bn investment, 35-45,000 high-quality jobs, £18bn GVA, and a bold decarbonisation plan: where it is needed most, plus drives benefits across Scotland and UK

- **Glasgow City Region (GCR) has all the ingredients for success**, from established innovation eco-system to track-record of Governance and Delivery. **CGF unlocks the only barrier to radical growth: physical space**
- This drives **bold private-sector investment** which would otherwise not happen
- **Shovel-ready**: Planning and investment in place for a lot of developments
- Creates **Virtuous-circle of Regeneration, Jobs, Decarbonisation, and Innovation**
- **Combines Air, Sea and Rail in low-risk multi-sector proposition**, building on existing sector strengths and eco-systems

# [REDACTED]

- **Builds on established plans**: £1.13bn City Deal, the Draft NPF4 Clyde Mission National Development, Regional Economic Strategy, Scottish Enterprise (SE) National Programmes, Scotland's 'A Trading Nation', the UK Innovation Accelerator
- The **Multiplier effect** on these means CGF offers **superb value**
- **Lays foundations for longer-term transformation** by driving innovation-led regeneration and creating strong sector-focused clusters
- **Bold and detailed port decarbonisation** programme

# [REDACTED]

## Right public intervention - the most impactful location in Scotland

- **Maximises impact where needed most**: 51% of Scotland's most deprived communities are within 10 miles distance from tax sites. 50% of total population within commuting distance.  
**Economic need is clear and compelling**
- **Address GCRs current low 'R&D per head'**: this averaged £238 between 2013-2020, and lags significantly behind Edinburgh (£634) and Aberdeen (£518). CGF will incentivise businesses which have previously been wary of investing
- **Lifting GCR benefits all of Scotland and lifts the whole UK**: GCR is economic engine for Scotland with 1/3 of all jobs, employment and GVA (£47bn) and has strong East-West connectivity driving **unparalleled reach to bulk of Scotland's economy/people**
- **Builds on local strengths**: Focused on sectors that employ >125k people (c. 15% of total). These **pay 30-100% higher** than traditional jobs and are **growing** (employment growth of 14% within GCR vs. 1.9% national reduction over 3 years)
- **Excellent value for money**: ~£110m public spend on GCF will leverage ~£2.16bn private-sector spend creating 35k-45k jobs and generating £18bn in GVA
- **Delivers within all prospectus and broader policies**: Levelling-Up White Paper, National Strategy for Economic Transformation, Scotland's Vision for Trade, Shaping Scotland's Economy, Scotland's Inward Investment Plan, NTS2 and DfT's "Flightpath to the Future", GCR Greenprint Prospectus
- **A limited time opportunity to propel the Scottish aerospace sector towards a leading role in delivering Jet Zero** and an increased share of the additional £39 billion and 150,000 jobs associated with it

## Delivering the 4 key Objectives

## 1. Regeneration and High-quality jobs creation

CGF **Activities** create 20-30,000 long-term jobs plus 15,000 construction jobs. Critically, CGF safeguards jobs in key locations like Inverclyde where they are needed most.

- **Private-sector investment of £2.1bn**, plus subsequent investment to follow
- **CGF unlocks and addresses key viability gap to develop land**. Tax incentives and CGF eco-system brings the confidence for major private-sector investment
- **Amplifies existing programmes, radically accelerating benefits** e.g. building on existing plans, leveraging City Deal benefits and private and public Net Zero plans
- **Strengths-based clustering** is our **foundational approach** driving **data-driven evidence of established and emerging clusters**. Each Tax Site focused on growth around existing centres of innovation and established businesses. To grow sustainably, already-strong linkages are enhanced to create path to fair work, skills, and education. New firms and inward investment will be attracted through marketing and financial incentives, utilising private-sector partner capabilities, best in class Local Authority Inward Investment teams, and UKTI/SDI resources. **This makes CGF a brilliant value proposition**

[REDACTED]

[REDACTED]



# [REDACTED]

**Clyde:** proud history in manufacturing / heavy engineering and deep-water ports which drive local economy and global exports. **Regeneration of 85ha.** Builds on existing investment in place (£9m+), but drives further **£220m** investment to upgrade, reclaim and regenerate land that would otherwise not be commercially-viable. Only barrier to growth on Clyde is the eco-system to make the land preparation viable. **Creates high-value jobs through:**

# [REDACTED]

- We would welcome discussion about expanding to include other derelict sites adjacent to river to increase the impact linking into Scottish government backed “**Clyde Mission**”

#### Putting Fair Work First at the top of the agenda, and embedding it in the CGF

- **Fair Work First:** All businesses operating in CGF will be required to demonstrate adherence:
  - Appropriate channels for effective voice (e.g. trade union);
  - Investment in workforce development;
  - No inappropriate use of zero-hours contracts;
  - Action to tackle the gender pay-gap and create more diverse and inclusive workplace;
  - Payment of the real Living Wage;
  - Offer flexible and family friendly working practices for all workers;
  - Oppose the use of fire and rehire practice.
- **Community Transformation Working Group (CTWG)** will be developed, made up of consortium of local government, key industry leads, local business, skills, training and education stakeholders and other key sectors to deliver principals of Fair Work
- **Community Transformation Strategy (CTS)** will be developed by CTWG, tackling how CGF will create inclusive economic opportunities for wider community through requiring businesses and supply chains to demonstrate:
  - Good work practices
  - Ethical labour sourcing (e.g. Ethical Labour Standard (BES 6002))
  - Equality, Diversity and Inclusion (EDI)
  - Engagement with CTWG to support local commerce including creating local accelerator programmes or providing dedicated floorspace for start-ups/SMEs.
  - How they will work with CTWG and Business Improvement Districts to identify ways the Clyde Green Freeport could better invest in community to promote regeneration.
  - How they will create opportunities at all levels within organisations and link into local communities, working with Job Centres to create new central employment hubs
  - EDI strategy outlining how they will support skills development for traditionally marginalised groups (e.g. women, ethnic minorities) in construction and engineering.

#### Builds on established collaborations

- **CTS builds on established collaboration with Enterprise Agencies, Universities and Colleges, working with Skills Development Scotland** to ensure skills are developed. Making the most of Scotland’s place-based approach to improving employability, CGF uses GCR

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Regional Economic Partnership (REP) to support upskilling to help people access new and adapted job roles

- **CTS will identify existing skills and work placement opportunities** in the cluster area, responding to agile and responsive work-based learning (WBL) to support pathways into green jobs through Foundation, Modern, and Graduate Apprenticeships. **This will align the roles required with the skills in the labour market**
- **Jobs creation spreads well beyond GCR** benefiting wider supply-chains across Scotland / beyond. Achieved in 2 ways: connectivity and opening up port capacity allows business across Scotland to increase global exports and hence create local jobs; and unparalleled connectivity of GCR allows cluster and supply-chain effects to take place in a geographically diverse manner around UK

### Attracting global and local companies

- **CGF has demonstrable nascent demand plus ability to generate new demand and investment**
- **CGF will market to international investors** in related sectors, highlighting unparalleled connectivity through Scotland and to four English freeports. Linkages in local supply-chains will also be supported and developed, demonstrating to firms the benefit they can reap from shared infrastructure, storage facilities and transport, in terms of increased efficiency, Innovation and the wider CGF eco-system.
- **Showing the clear financial benefits of the CGF proposition**

## 2. Promote Decarbonisation and Just Transition to Net Zero economy

### Introduction

- Decarbonising GCR, the most populous and industrialised region in Scotland, is **fundamental to achieve both UK and Scottish Government's 2045 net-zero ambitions**
- **Decarbonisation in our DNA:** Building upon Glasgow's COP26 momentum and existing sustainability ambitions, GCR has some of the most ambitious targets for Net Zero (e.g. largest GCR authorities by 2030). GCR Greenprint is a unique offer, the only city region to cost fund of Net Zero. Selected by European Commission as member of flagship Horizon Europe mission.
- **Assets:** Significant investment in renewable capability within GCR, including the 2nd biggest onshore windfarm in Europe, with an output of 539 MW of electricity. Beginning to tackle issues of consumption-based emissions in partnership with C40 Cities. Significant expertise in universities of Strathclyde, Glasgow and our wider educational base – including Offshore Renewable Energy Catapult and focus for sustainability research within GALLANT Project.
- **Decarbonisation expertise and eco-system:** Glasgow, host city of COP26, launched Green Deal in 2021 with 9-year mission to fundamentally reshape the city's economy. This comes with roadmap showing how the Council will achieve its goals. Includes: energy efficiency, renewables, infrastructure connectivity, competitive industry and circular economy, adaptation and resilience and tackling residual emissions. This expertise will be leveraged into the CGF
- **Accelerate transition from fossil fuel dependency.** Tri-modal approach makes us ideally placed to drive decarbonisation of freight movement across all modes and provide exemplar projects that showcase new technologies, working in close collaboration with Enterprise Agencies, Connected Places Catapult, Universities and our college partners.
- **CGF Environment and Sustainability Steering Group (CGFESSG)** is proposed and will develop the Decarbonisation Strategy. This will lead low-carbon agenda, aligned to employment and training and active adoption of innovation. Proposed membership to include local authorities, Innovation Partner (Connected Places Catapult), Transport Scotland, SPT, NatureScot, SEPA, Skills Development Scotland, SE Cluster Representatives and Climate Ready Clyde.
- The CGFESSG **will work with key members of mature ecosystem of transport and Innovation Bodies**, including Connected Places Catapult, CENSIS, Transport Scotland to operationalise existing innovations, supporting new innovations and making CGF a showcase for integrated sustainable freight
- **Strategy underpinned by range of sustainability-focussed initiatives:** Innovation Districts, GCR Greenprint, Just Transition, Skills Development Scotland's Climate Emergency Skills Action Plan and the GCR Just Transition Skills Action Plan, the GALLANT Project and City Deal projects (where GCR is actively applying the governments' carbon accounting and management guidance in a bid to reduce projects' carbon emissions).

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- Governance structure aligns decarbonisation agenda and maximises opportunities to re-engineer regional economy in line with GCR Greenprint principles, delivering innovative practices that drive down emissions. Approach will stimulate and deliver new green employment opportunities and support regeneration of GCR, providing multiple positive outcomes in line with Just Transition National Outcomes, in particular adaptation and resilience: environmental protection and restoration and decarbonisation and efficiencies.
- Successful transition in GCR is essential for Scotland. Vision is *“every person is able to reskill and upskill to participate in the just transition to a net zero, and climate resilient economy in Glasgow City Region”*.

### Robust and Ambitious Decarbonisation Plans for Ports

[REDACTED]

[REDACTED]

[REDACTED]  
[REDACTED]

### 3. Establish hubs for Global Trade and Investment

#### Introduction

- **Global investors already attracted to the GCR** due to rich set of ingredients that CGR offers
- **Main barrier has been meaningful availability of large tracts of land**, which CGF unlocks. Investors and developers will be attracted to area by tax incentives to create the flexible space and conditions needed to expand new investment, FDI and jobs
- Financial incentives in CGF support existing package of **incentives from SDI, SDS and Invest Glasgow** to attract large inward investors and jobs which will help catalyse the supply chain
- **Removal of trade barriers could help encourage SMEs to trade overseas**
- **ESG agenda** for all business will make the CGF an attractive place to locate due to CGF's decarbonisation agenda
- **Glasgow Greenprint for Investment** is a calling card and example of best practice to investors to support 11 transformative projects across the Region including an urban transport system, home energy retrofitting, sustainable fashion manufacturing, climate forests and district energy heating systems
- **Digital Infrastructure:** GCR has already committed to creating the digital infrastructure to support regional economy with roll-out of City Fibre's £4bn Gigabit City Investment Programme bringing full fibre networks within reach of 8 million homes and 800,000 businesses by 2025, directly benefiting the Green Freeport hubs and surrounding areas
- CGF will **Internationalise the economy and create sustainable trade growth**. Trade processes will become easier and more efficient. **CGF will primarily be an export facility**. As a multi-sector approach, a range of target markets have been identified which build on current sectoral strengths, and we will leverage existing market relationships to accelerate this growth
- By working to create ecosystem to Decarbonise hard-to-abate sectors of Air, Sea and Rail, CGF will build on COP 26 momentum and put GCR firmly on the map globally for leadership in decarbonisation
- GCR is Scotland's only region with identified strengths/opportunities in all growth sectors within the Scottish Government's Inwards Investment Strategy

#### The CGF drives new Investment into GCR and surrounding areas

- **Established inward investment hub** - Glasgow was identified in a recent EY Attractiveness Survey 2022 as 4<sup>th</sup> in UK

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- **Leverage existing governance structures:** GCR Partnership, Glasgow Economic Leadership (GEL which includes representatives of local/regional and international businesses) to maximise the benefits accrued by a Green Freeport and meet the GCR grand challenges.
- **Private Investment:** Full list of investment opportunities is commercially sensitive, however our letters of support demonstrate deep and board private-sector commitments. Activities outline the investment totalling £2.1bn, and nature of this growth clearly demonstrate the benefits CGF brings
- **Clustering de-risk:** Investors already attracted by the distinctiveness of these specialist facilities. By further developing the cluster, we de-risk opportunities to investors. This de-risks investment around the dynamic ecosystem, safeguarding local supply chains
- **“Clyde built” to be an enduring and attractive global manufacturing brand**

CGF creates capacity for global trade

# [REDACTED]

CGF also creates new products to export through:

- **Innovation Districts** adjacent to new business investment will create the product to export
- **Life Sciences hub** will create high value product to leverage Airport export capacity
- **Broader**<sup>[REDACTED]</sup> **Manufacturing sites**
- **Accelera** **Sciences**

#### 4. Foster an Innovative Environment

Building upon existing collaborations

- Tax sites built around existing Innovation eco-systems collaborations and University linkages

# [REDACTED]

- **CGF accelerates these Innovation Districts**, but critically **brings together a cluster of customers and their supply chain** adjacent to them. This drives commercialisation of those Innovation activities, leading to funding for further innovation for both new products and decarbonisation

Capability and Investment

- **GCR has rich Innovation ecosystem:** 3 designated Innovation Districts (Glasgow City - GCID, Riverside – GRID, and Advanced Manufacturing AMIDS). Supported by Glasgow and Strathclyde Universities, creating new talent for high skilled jobs. Also, Bio-corridor for Life-Sciences, planned Scottish Marine Technology Park
- **College Sector** also very strong. The ‘Energy Skills Partnership’ body (who coordinate the sector to deliver skills for the energy, engineering and construction sectors) will steer a portion of recently announced £33m Innovation Accelerator funding to further support this
- **Recognised Internationally** which supports our inward investment plans: Identified as Innovation Accelerator in the Levelling-up programme. Runner-up for European Capital of Innovation Award. Member of Europe’s flagship Research and Innovation mission on climate neutral and smart cities
- **The CGF will drive huge acceleration and expansion of the following Innovation Districts** through direct investment, sector clustering effects, and provisions to link business with these facilities
  - **NMIS**, Scotland's only National Manufacturing Institute. Offering a Skills Academy and Collaboration Centre it will be the place where new manufacturing ideas and businesses

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are created. Has been built with an expansion site adjacent. [REDACTED]

[REDACTED]

- **Advanced Forming Research Centre (AFRC)**. In partnership with the University of Strathclyde, one of seven High Value Manufacturing (HVM) Catapult centres in UK and only one in Scotland. Based at Inchinnan Business Park, AFRC provides one of the USPs for new manufacturing companies to locate in the tax site. AFRC already works with large number of manufacturing companies on cutting-edge R&D and systems innovation, some of which are Tier One partners and located within GCR.
- **Advanced Manufacturing Innovation District Scotland (AMIDS)** with Renfrewshire Council. Innovation District concept developed between Scottish Government; Scottish Enterprise; local authorities and Glasgow Airport. Will be hub of Scotland's advanced manufacturing sector. CGF offers the additional financial incentive for companies to locate to AMIDS to be in close proximity to the two Catapult / Innovation centres on site (MMIC and NMIS), as well as AFRC adjacent to the tax site. With c.50 hectares of serviced land available to occupy this will have regional economic benefits. Additionally, AMIDS is being assisted in its delivery by a Strategic Advisory Group made up of key stakeholders across the public, private and academic sectors.

Collaboration and Commercialisation and Novel Solutions

[REDACTED]

[REDACTED]

[REDACTED]

**Innovation to support Decarbonisation & Net Zero.**

- CGF accelerates innovation and investment into decarbonisation of the value chains of the hardest to abate sectors and Scope 3 emissions of port cities in the UK and wider Europe.
- As participant in European 100 Climate Neutral and Smart Cities mission to attract investment, and start-ups, we will use Shared Prosperity Funding to establish a **whole-systems innovation portfolio**

[REDACTED]

- Clyde Green Freeport presents a visionary strategy to create global sustainability leadership

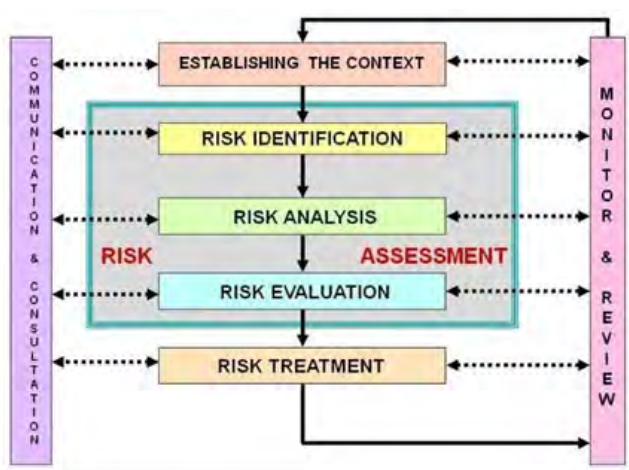




## Governance Board Risk Management Framework

### Identifying, Mitigating and Managing Risks

Our Governance board approach to Risk Management aligns with ISO31000, the Institute of Risk Management and Infrastructure Projects Authority guidance. It is based upon our tried and tested framework used and adapted on the £1.13bn City Deal through the use of the Programme Management Toolkit. We will use a cyclical approach to risk management using the ISO31000 risk management stages enhanced with a culture of embedding risk management into delivery as ‘built in, not bolt on’.



The ability to manage a complex web of dependencies and assumptions that evolve across time is critical to delivery. We’ll drive out uncertainty through validation of assumptions and confirmation of dependencies, assessing the risk exposure where this can’t be obtained. In our experience this includes maintaining a clear view of risks and allocating them to the party best placed to manage them through risk elevation, escalation and transfer. Risk review meetings will provide the primary forum for this and will focus on the following:

- Monitoring progress against key risk responses and mitigation plans.

- Reviewing the status of risk (threats and opportunities), issues and assumptions.
- Reviewing the dependency matrix.
- Raising new risk items
- Escalation of items for programme review or elevation of items for programme reporting
- Gaining continued support to the implementation of risk management framework.

However, our experience is that risk workshops alone do not provide an open forum in which key items which can derail delivery are identified and addressed. The approach needs to adapt and become part of the delivery process through integration into all project and programme forums. Risk reviews can become administrative exercises centred on updating spreadsheets. Our experience is that they are most effective when the registers are not the focus, instead using the project schedule or key priorities at that time to structure a discussion and decision forum rather than a 'review' of existing data. An interactive risk dashboard will be produced for review at Governance meetings allowing all parties to track risk and resolve issues

### **Establishing an organisational culture that supports well thought out risk taking and innovation**

Our process follows a staged approach in which we firstly set the context for risk management through agreement of the objectives of the project, linked to strategic assumptions, operational risks and the key drivers for delivery, the governance framework and linked processes of programme, cost, change management and reporting. Linking risks (both threats and opportunities) to the impact on these areas provides a first filter and a structure to risk identification and management.



Once the context is established, we believe that a clearly written and agreed description of each item is fundamental to enable assessment of its interaction with objectives. Our risk specialists will facilitate the identification and prioritisation of risks using a mixture of facilitated risk workshops, risk interviews and through embedding risk as an agenda item in regular project meetings. We are experienced in embedding a risk culture which promotes transparency through early sight of emergent threats, collaboration risk responses and accountability of risk owners and risk response (mitigation) owners. We will achieve this through facilitated risk reviews, embedding risk responses within the programme and through stakeholder engagement.

We will structure the identified risks within the risk register, identifying how they flow down through the project lifecycle through use of the project Work Breakdown Structure (WBS), Risk Breakdown Structures (RBS)) and Cost Breakdown Structures (CBS) so that risk information represents the full breadth of the work.

Risk management is most effective when integrated into project discussions rather than as a standalone meeting. Understanding progress on agreed risk response measures, the support required to implement them and implications if they are not implemented on time is key to delivery success and in the effective use of risk contingency. We will achieve this through structuring risk reviews around progress to plan, recording and monitoring trigger and expiry dates for risks to inform risk forecasting and providing an evidence-based approach for risk drawdown or retirement.

## Risk contingency

Risk contingency will be established using our methodology, aligned with scrutiny requirements, of combining uncertainty analysis and risk modelling of both cost and time through the use of Monte Carlo predictive risk analytics. We believe that statistical risk modelling (Monte Carlo analysis) when used correctly can be a powerful tool in supporting project decision making. Our risk managers have experience in translating risk analytics, such as confidence level schedules, cost predictions and key risk drivers into meaningful information rather than simply providing software generated output graphs. Risk modelling will consider the current position for risk likelihood and impact, the cost associated with risk response (mitigation) plans and the anticipated reduction in risk. Outputs from this analysis will inform agreements on appropriate risk taking, innovation and risk transfer.

## Risk Ownership

Our experience is that Risk Management works most effectively when items are allocated ownership to one named individual rather than a team or a function. Risk Owners will become the focal point for the risks that they own. We will drive clarification with the Risk Owner that their responsibilities are understood and test that these are met. Through a collaborative one team approach with stakeholders, we will agree risk responses which may be required externally to the programme. Key risks will be reported into monthly reporting for visibility. Use of the risk dashboard at Governance board meetings will allow the board oversight that the owners are managing the risks appropriately and allow for escalation if there are gaps.

## Risk Reporting

It is recognised that risk reporting and analysis on schedule and cost exposure are only as robust as the data which support them. We will engage with stakeholders to develop robust risk analysis models for cost and schedule. These are not just to support business cases and establishment of PCT envelopes but also as a tool to provide delivery confidence and inform decisions on innovation and investment. We understand that risk analysis can be weak when it is solely the reporting of P10/P50/P90 values or S-Curves that only the Risk

Manager can understand. We will make risk analysis accessible, data driven and with the ‘fingerprints’ of the right people involved to ensure it is representative

### Governance Body - Roles & Responsibilities

Our Governance Board, which will include the ports and local authorities, will be responsible for driving the effective and timely delivery of the Green Freeport this includes mitigating key risks to the programme. All of our partners have signed up to a commitment charter to achieving the Green Freeport objectives.

### Commitment from port and local authorities (see 1.8)

We have written commitment from the port and the associated local authority and local political leaders to support their private sector partners in the effective, timely delivery of the Green Freeport. (See letters in 1.8)

## Key Initial Delivery Risk & Issues - Programme Level

NB: To be **updated and reviewed continuously** throughout delivery

Risk (Cause/ Risk/ Event) – Impact to Objective	Risk Mitigation/ Management (Lever, Outputs, Evidence)
<p><b>No Agreement</b> – Due to differing priorities there is a risk that the Clyde Green Freeport fails to reach agreement. This would impact our ability to function effectively as a Green Freeport and achieve the desired outcomes and benefits.</p>	<p>The GCR is a mature partnership of the 8 LAs in the regions and there is an existing strong relationship between the transport node operators and the relevant local authorities. The Green Freeport Governance arrangements will ensure that any potential conflict is identified at an early stage, providing scope for resolution without impacting on the shared green freeport vision and its delivery.</p>
<p><b>Cost Escalation</b> – Due to inaccurate estimation/inflation there is a risk that costs escalate resulting in CGF exceeding its committed funds.</p>	<p>Building on the existing programme management expertise within the Glasgow City Deal, processes will be put in place to ensure that costs estimates are robust before the commitment of funds</p>
<p><b>Climate Impact</b> – Global warming could mean that key activities and sites might be impacted by Climate Change.</p>	<p>The development of the green freeport will be informed by the Climate Ready Clyde Adaptation Strategy and Action Plan (launched in June 2021). Given that the most likely adverse climate impact relates to flooding, the work of the Metropolitan Glasgow Strategic Drainage Partnership will also play</p>



	a part in mitigating this risk. This will then be reflected in site specific climate change mitigations identified through the planning process.
<b>Sector Reliance</b> – “All eggs in one basket”. There is a risk of being too dependent on one sector/ market/ innovation.	This risk is mitigated through Clyde Green Freeport operating across 3 different port modes, across multiple sectors.
<b>Security</b>	A security plan will be developed which will build on the extensive experience the port operators already have in this area, The CGF Board will include representatives of these operators, so the Board will have the knowledge and expertise to be able to interrogate the risk reports and understand where changes are required as the risk environment evolves.
<b>Displacement</b>	The regional approach to the governance of the CGF will minimise the risk of “boundary hopping” and only firms either new to the region or expanding an existing regional presence will benefit from the incentives on offer Gateway policies will be used to help manage sites
<b>Subsidy</b> - There is a risk that funding may be issued not in accordance of subsidy rules – ie. Payback of any seed capital might be required.	Where an initial screening suggests that an element of the development of a green freeport would constitute a subsidy within the meaning of the Subsidy Control Act 2022, expert legal advice will be sought to ensure compliance with the UK Subsidy Control framework. This will be reflected in the governance arrangements.
<b>Planning Capacity</b> – CGF will result in £1bn investment in the regional across multiple sectors and regions. Lack of capacity within planning departments, both numbers and levels of expertise may cause delays and prevent achieve of objectives at pace.	All 5 local authorities are actively involved in the bid understand the scope, programme of approvals and expected timeframes. Our teams are experienced at dealing with initiatives of this size e.g. City Deal (£1bn). Much of the development proposed already has planning permission in place.

## Key Delivery Risk & Issues - Strategic Objective Level

NB: To be updated and reviewed continuously throughout delivery

### Promote regeneration and high-quality job creation

Risk (Cause/ Risk/ Event) – Impact to Objective	Risk Mitigation/ Management (Lever, Outputs, Evidence)
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<p><b>Not investor ready</b> – Because of the pace needed and poor choice in site. There is a risk that sites are not investor ready which will result in delay or investors going elsewhere.</p>	<p>The Clyde Green Freeport will build on existing, proven governance arrangements relating to the Glasgow City Deal programmes (£1.13bn) to ensure that: a) right sites are selected and sequenced b) there is a credible timeline for the development of the designated sites with clear milestones set in terms of physical and financial progress. Private sector partners have considerable experience identifying, developing, funding and delivering major investment projects and programmes.</p>
<p><b>Skills &amp; Labour not available</b> – If adequate skills &amp; labour planning is not in place. There is a risk that the required Skills &amp; Labour may not be available which will result in at best a slower expansion in employment within the designated site or at worst a disincentive to invest in the first place.</p>	<p>All local authorities within the Glasgow City region have long standing and active employability programmes and are already working with stakeholders on producing local delivery plans. In addition there will be specific engagement with the region’s extensive endowment of HEIs/FEIs to ensure that the needs/opportunities presented by the Green Freeport are well understood and addressed/exploited. This will be complemented by intensifying the existing collaboration with the key growth sectors identified in the regional economic strategy.</p>
<p><b>Not attract sufficient investors</b> – CGF may not align to the needs of investors. There is a risk that the Green Freeport may not attract sufficient investors therefore we will not benefit from regeneration and high quality jobs.</p>	<p>GCR has a dedicated inward investment team “Invest Glasgow” that is actively promoting CGF to potential investors, as are the private sector partners. Clyde Green Freeport has been designed to capture identified market demand and builds on the successful Invest Glasgow brand to provide a compelling case to potential investors. This will include a vigorous marketing and communications strategy for promoting the designated sites.</p>
<p><b>Inadequate Supply Chain</b> – Glasgow City Region supply chain needs to be able to support the increased activity. There is a risk that the Supply chain is inadequate and a missed opportunity to grow which will result in a lower impact green freeport with less output regeneration and less new jobs.</p>	<p>The GCR is the largest regional economy in Scotland with the biggest business base and all GCR local authorities are members of the Supplier Development Programme. This will provide a mechanism for securing the biggest knock-on impact of the initial investment in the designated sites.</p>

Promote decarbonisation and a just transition to a net zero economy

Risk (Cause/ Risk/ Event) – Impact to <b>Objective</b>	Risk Mitigation/ Management (Lever, Outcome, Evidence)
<p><b>Capacity not increased</b> - CGF success will mean more than double existing freight rail capacity will be required by 2025 due increase exports and productivity. There is a risk that Network Rail and Transport Scotland do not deliver capacity, therefore impacting on our ability to maximise low carbon rail freight.</p>	<p>Risk mitigated by ongoing dialogue with Network Rail and Transport Scotland.</p> <p>Tri-modal Green Freeport offers ability to use Sea whilst still achieving the CGF benefit at the pace we anticipate.</p>
<p><b>Low Carbon Heat</b> – Due to the energy requirements required and the success of the Green Freeport. There is a risk that availability of low carbon heat is not sufficient to meet demand at pace.</p>	<p>Risk mitigated by a) designing CGF to have multiple decarbonation initiatives “Not all eggs in one basket” these include: District heat, Clyde Heat. b) Expansion/ Scaling up already proven. c) Transfer of regional knowledge and experience into CGF (decarbonisation is not new to GCR).</p>
<p><b>Grid Decarbonisation</b> – Due to the £1bn investment and increase activity it will result in an increased in demand for energy across all 3 clusters. There is a risk that a decarbonised energy grid will not be able to keep up with demand therefore not enabling the green freeport to decarbonised.</p>	<p>Risk mitigated/ managed through CGF adopting multi energy initiatives including [REDACTED] [REDACTED] Our energy assessment indicates that we will have adequate generation capability to decarbonise whilst growing. We are also fortunate to have the largest off-shore wind farm in UK. CGF will further expand and support this farm</p>
<p><b>Transport Decarbonisation</b> – Due to the costs and complexities involved in Decarbonisation of transport there is a risk that CGF investors may choose to adapt conventional non-decarbonised transport approaches for commercial reasons.</p>	<p>We will mitigate this risk through: a) Making decarbonised transport accessible and convenient across each mode through our CGF initiatives such as Rail (Future Rail – Electric &amp; Hydrogen), Road (Electric HGV), Sea (Ammonia others) &amp; Air (Electric Flight/ Fly Zero). b) Our CGF Principals are designed to encourage investors use of decarbonise transport.</p>
<p><b>Freight Displacement</b> – Operators take freight where it is quickest or cheapest not necessarily decarbonised. There is a risk that Clyde Green Freeport potential will not be fully exploited with investor choosing to go elsewhere.</p>	<p>We have mitigated this by designing Clyde Green Freeport so that it will be competitive on cost and the least carbon intensive route to exporting goods. e.g.[REDACTED] [REDACTED] [REDACTED] Therefore making Clyde Green Freeport quickest, cheapest &amp; Greenest for rail freight. Additionally, it has decarbonised connectivity with 5 English</p>





	Freeports. There is also a role for government here to put complimentary measures in place to support freight activities that align with productivity and net zero aspirations I.e. from sustainable regional hubs.
<b>Public Transport</b> - TIART Availability of public transport, active travel options for site access is delayed, limited or can't meet demand due to lack of availability of decarbonised transport.	The selected locations benefit from good existing accessibility by public and active transport. This will also be enhanced by delivery of Clyde Metro.

### Establishing hubs for global trade and investment

<b>Risk (Cause/ Risk/ Event) – Impact to Objective</b>	<b>Risk Mitigation/ Management (Lever, Outcome, Evidence)</b>
<b>Freeport Competition</b> – There are/ will be many UK freeports & green freeports. There is a risk that the freeports may compete for international trade and investment reducing the overall impact of the policy.	To mitigate this risk Clyde Green Freeport has been specifically designed to optimise complementarity with existing freeports [REDACTED] <b>[REDACTED]</b> [REDACTED] We have support from all 5 English freeports that we have direct decarbonised connectivity with.
<b>Future Proofing</b> – Global trade type and demand will change over time. There is a risk that in the longer term there may be less demand for goods taking a longer time to get to designation. Making a freeport less appealing to global investors.	Clyde Green Freeport will operate across 3 modes (Air, Rail & Sea) thus mitigating this risk for investors with the choice of decarbonised transportation route.
<b>Investment Portfolio selection</b> – There is a risk MIRP (Moss International Rail-freight Park) selected as an investment portfolio by the Scottish government.	This investment would be complementary with Green Freeports and would further accelerate global trade.

### Fostering an innovative environment

<b>Risk (Cause/ Risk/ Event) – Impact to Objective</b>	<b>Risk Mitigation/ Management (Lever, Outcome, Evidence)</b>
<b>Innovation Engagement</b> – For innovation to be effective we need engaging innovators and investors. There is a risk that they don't engage with the opportunity, when	Clyde Green Freeport is setup to be attractive to innovative businesses & SMEs. Glasgow City Region is already rich in innovation. Green

<p>there's already an innovation rich ecosystem resulting in innovation not being delivered.</p>	<p>Freeport status will enable existing business to scale up and stay in the region as it will provide space and global connectivity. This will keep Intellectual Property within region and benefit UK (and anchor companies to the UK).</p>
<p><b>Maintaining Currency</b> - Innovation will move quickly. There is a risk that a Green Freeport will not keep up with the pace of technological change and invest in the wrong things and decrease the innovation benefit.</p>	<p>Glasgow City Region is rich in innovation across multiple sectors. Our universities and innovation centres are at the forefront of technology. Our expectation is that Green Freeport status will only increase our status and currency in innovation as seen in successful management of our innovation districts.</p>
<p><b>Critical Mass</b> – Not a critical mass to create innovation required could mean that there is a risk that investors may invest elsewhere.</p>	<p>Clyde Green Freeport will be established in an already rich and innovative region. Our businesses and universities have established relationships. Green Freeport status will support great exploitation and development as seen in successful management of our innovation districts.</p>

**Councillor Stephen McCabe**  
**Ward 1 – Inverclyde East**  
Municipal Buildings  
Greenock  
PA15 1LX

**Inverclyde**  
council

**Leader of the Council**

For the attention of Kevin Rush SRO  
Director of Regional Economic Growth  
Glasgow City Region  
Glasgow City Chambers  
GLASGOW  
G2 1DU

Direct Line: [REDACTED]  
Email: stephen.mccabe@inverclyde.gov.uk  
Our Ref: SMcC/sc  
Your Ref:  
Date: 10 June 2022

Dear Kevin

### **Clyde Green Freeport**

I write to confirm my full support for the Clyde Green Freeport bid submission.

As you are aware Inverclyde is one of the most deprived local authority areas and has the unfortunate accolade of having the most deprived datazone in Scotland. Being part of the Clyde Green Freeport has the potential to create significant opportunity for our community, both locally and within the Metropolitan City Region with job safeguarding, creation and business enterprise.

[REDACTED]

I hope that both the UK and Scottish Governments will recognise the opportunity which Inverclyde, as part of the City Region, would benefit from being part of a Green Freeport.

Yours sincerely

[REDACTED]

Stephen McCabe  
Leader of the Council

