

# EXECUTIVE DECISION

made by a Council Officer



## REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL COUNCIL OFFICER

Executive Decision Reference Number – COD25 21/22

Decision	
<b>1</b>	<b>Title of decision:</b> Plymouth and South Devon Freeport
<b>2</b>	<b>Decision maker (Council Officer name and job title):</b> Anthony Payne, Strategic Director for Place
<b>3</b>	<b>Report author and contact details: Report author and contact details:</b> Kevin McKenzie, Deputy SRO Plymouth and South Devon Freeport. T +441752304318 E <a href="mailto:kevin.mckenzie@plymouth.gov.uk">kevin.mckenzie@plymouth.gov.uk</a>
<b>4a</b>	<b>Decision to be taken:</b> Subject to due diligence and the agreement of our Section 151 officer and Head of Legal Services, to: - I. Approval of the Full Business Case for submission on 22 April 2022.
<b>4b</b>	<b>Reference number of original executive decision or date of original committee meeting where delegation was made:</b> L47 21/22
<b>5</b>	<b>Reasons for decision:</b> An executive decision delegating authority to the Strategic Director for Place was required so that we could: - <ul style="list-style-type: none"> <li>▪ Meet timelines set by government linked to the lead in time for laying legislation.</li> <li>▪ Approve the key principles and allow the team to finalise the Full Business Case for submission in April.</li> <li>▪ To enable all three local authorities partners to take decisions in common before the deadline.</li> <li>▪ Take a decision before the pre-election period</li> </ul> The conditions applied to the delegated authority are now met;- <ul style="list-style-type: none"> <li>▪ The Full Business Case is now finalised for submission.</li> <li>▪ All three local authority partners have now taken a democratic decision</li> <li>▪ The Shadow Board have approved the Full Business Case</li> <li>▪ The s.151 Officer and Head of Legal Services are satisfied that due diligence has been given.</li> </ul>
<b>6</b>	<b>Alternative options considered and rejected:</b>


	<ul style="list-style-type: none"> <li>▪ Relevant alternative options considered and rejected in the Executive Decision included.</li> <li>▪ An alternative timeline was considered that would have pushed submission of our Full Business Case back until June, this was rejected as it would delay Freeport designation and shorten the window within which potential investors would be able to claim tax benefits.</li> <li>▪ The Department of Levelling Up Homes and Communities have imposed a condition that we must bring forward at least one site specific agreement before the 20th April 2022. The work required cannot be completed in time to bring this to cabinet for agreement before we enter the pre-election period.</li> </ul>																
7	<p><b>Financial implications and risks:</b></p> <p>The MTFP contains some resources in the initial years of the scheme both for revenue and capital. In the medium term there are proposals to engage in wider corporate borrowing, these to be funded from retained NNDR which will be received by The Council as Section 31 grant. Clearly The Council and Partners will need to ensure that available resources are not over committed at that point in the overall scheme.</p> <ul style="list-style-type: none"> <li>▪ The anticipated uplift in NNDR income from the areas designated as Freeport Tax and Customs sites in the Full Business Case will be retained and ring fenced for a period of 25 years,</li> <li>▪ Retained NNDR and rental income and legacy from Oceansgate phase 1 and 2 will be directed in the first instance to service borrowing, and, only in the event of a surplus, for future investment in the Freeport as may be agreed by the Local Authority partners.</li> <li>▪ The Medium Term Financial Plan already makes some provision for financial support.</li> <li>▪ Revenue funding will be required to support the establishment of 4.5 new posts and other Freeport running costs.</li> <li>▪ For the first five years this will be generated through fees and charges levied on landowners, supplemented with direct grant support from central government.</li> <li>▪ A successful Levelling Up Fund to support the Freeport is anticipated.</li> </ul> <p>There are risks but we have carefully assessed them and we are confident that they can be managed. The rewards are proportionately large, a vibrant economy delivering quality jobs, and new skills provision to ensure that residents in our most left behind wards can benefit.</p> <p>The governance arrangements are designed to deal effectively with these risks. The principle financial risks were set out in a high level risk assessment in the body of the report which accompanied the executive decision. All project related risks, including financial risks, are reviewed regularly by the Freeport development team to ensure they are appropriately mitigated.</p>																
8	<table border="1"> <thead> <tr> <th data-bbox="236 1451 767 1547">Is the decision a Key Decision? (please contact <a href="#">Democratic Support</a> for further advice)</th> <th data-bbox="767 1451 863 1547">Yes</th> <th data-bbox="863 1451 1015 1547">No</th> <th data-bbox="1015 1451 1505 1547">Per the Constitution, a key decision is one which:</th> </tr> </thead> <tbody> <tr> <td data-bbox="236 1547 767 1700"></td> <td data-bbox="767 1547 863 1700"></td> <td data-bbox="863 1547 1015 1700">x</td> <td data-bbox="1015 1547 1505 1700">in the case of <b>capital</b> projects and contract awards, results in a new commitment to spend and/or save in excess of <b>£3million</b> in total</td> </tr> <tr> <td data-bbox="236 1700 767 1839"></td> <td data-bbox="767 1700 863 1839"></td> <td data-bbox="863 1700 1015 1839">x</td> <td data-bbox="1015 1700 1505 1839">in the case of <b>revenue</b> projects when the decision involves entering into new commitments and/or making new savings in excess of <b>£1 million</b></td> </tr> <tr> <td data-bbox="236 1839 767 1971"></td> <td data-bbox="767 1839 863 1971"></td> <td data-bbox="863 1839 1015 1971">x</td> <td data-bbox="1015 1839 1505 1971">is <b>significant</b> in terms of its effect on communities living or working in an area comprising <b>two or more</b> wards in the area of the local authority.</td> </tr> </tbody> </table>	Is the decision a Key Decision? (please contact <a href="#">Democratic Support</a> for further advice)	Yes	No	Per the Constitution, a key decision is one which:			x	in the case of <b>capital</b> projects and contract awards, results in a new commitment to spend and/or save in excess of <b>£3million</b> in total			x	in the case of <b>revenue</b> projects when the decision involves entering into new commitments and/or making new savings in excess of <b>£1 million</b>			x	is <b>significant</b> in terms of its effect on communities living or working in an area comprising <b>two or more</b> wards in the area of the local authority.
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8b	If yes, date of publication of the notice in the <a href="#">Forward Plan of Key Decisions</a>	
9	Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:	<p>We have set out a number of strategic objectives in the Plymouth Plan that a free port could help us to achieve.</p> <p>SO2 - Strengthening Plymouth's role in the region SO3 - Delivering the international city</p> <p>SO11 – Delivering high quality development</p> <p>SO12 – Delivering infrastructure and investment</p> <p>The Freeport could also assist us to deliver priorities in our Corporate Plan: -</p> <ul style="list-style-type: none"> <li>▪ Strongly supports the delivery of economic growth that benefits as many people as possible.</li> <li>▪ Strongly supports the delivery of quality jobs and skills.</li> </ul>
10	Please specify any direct environmental implications of the decision (carbon impact)	Our Full Business Case sets out our ambitious plans to ensure that the Freeport contributes positively to our Climate Emergency Action Plan setting an overarching target that is consistent with our commitment to achieve a carbon net zero position by 2030.

#### Urgent decisions

11	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes		(If yes, please contact <a href="#">Democratic Support</a> for advice)
		No	x	(If no, go to section 13a)
12a	Reason for urgency:			
12b	Scrutiny Chair signature:		Date	
	Scrutiny Committee name:			
	Print Name:			
<b>Consultation</b>				
13a	Are any other Cabinet members' portfolios affected by the decision?	Yes	x	
		No		(If no go to section 14)

<b>I3b</b>	<b>Which other Cabinet member's portfolio is affected by the decision?</b>	Freeport impacts will be wide ranging and are likely to affect all Cabinet member's portfolios.						
<b>I3c</b>	<b>Date Cabinet member consulted</b>	The report underpinning the Executive Decision was discussed with all Cabinet members on 15/03/2022.						
<b>I4</b>	<b>Has any Cabinet member declared a conflict of interest in relation to the decision?</b>	<b>Yes</b>		If yes, please discuss with the Monitoring Officer				
		<b>No</b>	x					
<b>I5</b>	<b>Which Corporate Management Team member has been consulted?</b>	<b>Name</b>	Anthony Payne					
		<b>Job title</b>	Strategic Director for Place					
		<b>Date consulted</b>	23/02/2022					
<b>Sign-off</b>								
<b>I6</b>	<b>Sign off codes from the relevant departments consulted:</b>	<b>Democratic Support (mandatory)</b>	DS141				21/22	
		<b>Finance (mandatory)</b>	ba.22.23.08					
		<b>Legal (mandatory)</b>	EJ/36072/210422					
		<b>Human Resources (if applicable)</b>						
		<b>Corporate property (if applicable)</b>						
		<b>Procurement (if applicable)</b>						
<b>Appendices</b>								
<b>I7</b>	<b>Ref.</b>	<b>Title of appendix</b>						
	A	Equalities Impact Assessment						
<b>Confidential/exempt information</b>								
<b>I8a</b>	<b>Do you need to include any confidential/exempt information?</b>	<b>Yes</b>	x	If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in <b>I8b</b> below.				
		<b>No</b>						
		<b>Exemption Paragraph Number</b>						
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>

<b>18b</b>	<b>Confidential/exempt briefing report title:</b>  Plymouth and South Devon Freeport – Full Business Case			x				
<b>Background Papers</b>								
<b>19</b>	<p>Please list all unpublished, background papers relevant to the decision in the table below.</p> <p>Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</p>							
<b>Title of background paper(s)</b>		<b>Exemption Paragraph Number</b>						
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Council Officer Signature</b>								
<b>20</b>	<p>I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not. For further details please see the EIA attached.</p>							
<b>Signature</b>				<b>Date of decision</b>	22.4.22			
<b>Print Name</b>	Anthony Payne							

## **Plymouth and South Devon Freeport**

### **1. Full Business Case**

- 1.1 Our Full Business case is now complete and ready for submission. The Executive Decision taken by the leader on 23 March delegated authority to the Strategic Director for Place to sign off on the Full Business Case because the work could not be completed before the pre-election period.
- 1.2 The Full Business Case is appended to this decision, it sets out our plans to deliver the Plymouth and South Devon Freeport in full detail to Treasury Green Book standards. The content has been subject to the sign off procedures of the three Local Authority partners and due diligence by our commercial partners.
- 1.3 The Full Business Case is appended so that the Strategic Director of Place and his advisors are furnished with full details of the scheme so that they can make an informed decision. It is highly commercially sensitive and public disclosure of its content would potentially expose the council to reputational and financial risk.
- 1.4 We are further bound by the terms of a specific Non Disclosure Agreement signed with one of our commercial partners without which we would not have been able to complete the work required.

### **2. Recommendations**

- 2.1 It is recommended that the Strategic Director for Place exercises the authority delegate to him by the Leader in the Executive Decision ref L47 21/22.
  - Approves the submission of our Full Business Case to the Department of Levelling Up Homes and Communities on 22 April 2022.