

RECORD OF EXECUTIVE DECISION

Tuesday, 20 December 2022

Decision No: (CAB 22/23 35906)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Cabinet Member for Economic Development
SUBJECT:	Freeport Update
AUTHOR:	Steve Harrison (Finance)

THE DECISION

Having complied with paragraph 15 of the Council's Access to Information Procedure Rules.

- (i) To delegate to the Chief Executive, following consultation with the Cabinet Member for Economic Development, Executive Director - Finance and Commercialism (S151 Officer) and the Executive Director for Place, to agree the Memorandum of Understanding which Southampton City Council (as a participating rating authority) is expected to sign with Government as part of the arrangements for designating the Freeport.
- (ii) To note the work to agree an Investment Plan for submission to Government, detailing how the proceeds from the growth in business rates will be applied in support of the Freeport Objectives. Furthermore, that this Investment Plan will be agreed via the Retained Rates Investment Committee (RRIC) and Freeport Board, on which the Council is represented by the Cabinet Member for Economic Growth as a voting member, and with the Deputy S151 Officer as an ex-officio nominated representative for the RRIC.

REASONS FOR THE DECISION

1. This report is submitted for consideration as a General Exception under paragraph 15 of the Access to Information Procedure Rules in Part 4 of the City Council's Constitution, notice having been given to the Chair of the relevant Scrutiny Panel and the public.
2. The Freeport Final Business Case was submitted to Government in April 2022. In dialogue with the Government, it has become clear further detailed documentation is required, which the Freeport is in the process of finalising. The Freeport has targeted reaching agreement in December on this documentation, with the hope that this will then lead to final agreement and implementation of the Solent Freeport, releasing funds and allowing

plans to proceed early in the New Year. As it has been an 'evolving' process, with documents still being worked on and deadlines only recently confirmed, this hasn't enabled the usual approach via Forward Plan entries.

DETAILS OF ANY ALTERNATIVE OPTIONS

1. The Council agreed at its March 2022 meeting to support the Freeport proposals.
2. The recommendations agreed at that time were:
 - (i) Council supports and endorses the strategic submission of the Full Business Case (FBC), in April 2022, as a Board Member and partner of Solent Freeport Consortium Limited, as part of National Freeport Programme Application process the final agreement of a Memorandum of Understanding (MOU) in relation to retained Business Rates and membership on the proposed Freeport Investment Committee.
 - (ii) To delegate authority to the Acting Chief Executive to make any minor amendments to the FBC, MOU and associated documents and submit as appropriate after consultation with the Leader of the Council, Executive Director for Finance and Commercialisation and Service Director Legal and Business Operations.
3. As the Council has already supported the Freeport, no alternative options have been considered. The MoU referred to in the Council recommendation above is a local agreement between the Rating Authorities, the Solent Freeport Consortium Ltd and the Accountable Body (Portsmouth City Council) covering how the Rating Authorities will manage the growth/uplift in Business Rates generated by the designated tax sites within the Solent Freeport and how the resources will be pooled to maximise the benefit. This is different to the MoU now required with Government and detailed in this report. The new MoU will not be formally legally binding, but the authority will be expected to adhere to it.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

None.

CONFLICTS OF INTEREST

None.

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 20 December 2022

Decision Maker:
The Cabinet

Proper Officer:
Judy Cordell

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*