

MINUTE EXTRACT

ECONOMY REGENERATION AND HOUSING COMMITTEE

8 MARCH 2023

FREEPORTS AND MARITIME INNOVATION AND GROWTH PROJECTS

The Head of Economic Growth presented the report of the Director of Regeneration and Place. The report provided Members with an update regarding the status of Liverpool City Region Freeport ('LCR Freeport') and sought authorisation for the Director of Law and Governance to negotiate, finalise and sign the Memorandum of Understanding ('MoU') between the Council, The Secretary of State for Levelling Up, Housing and Communities, Liverpool City Region Combined Authority (LCRCA), Liverpool City Region Freeport Governing Body, Halton Borough Council, and St Helens Borough Council. The MoU sets out the terms, principles and practices that will apply to the working relationship between the parties in respect of the delivery and administration of the Liverpool City Region Freeport.

The report also sought approval to establish a Wirral Freeport Investment Fund. The arrangements for Freeports allow for any growth in business rates above an agreed baseline within the designated Freeport Tax Site area to be retained by the Council as Billing Authority over a guaranteed 25-year period and re-invested to stimulate further development. Proposals for funding would be subject to a full and robust appraisal process and considered and decided on a case-by-case basis.

Members queried the finances of the project and the way that funds were allocated. They were provided with a breakdown of Seed Capital funding for the Liverpool City Region and Wirral's share of this.

In response to concerns raised by Members on the possible impacts to Wirral business that fall outside of the Freeport zone, The Head of Economic Growth assured them that the project was trying to attract businesses to invest in vacant property and that any business that was looking to expand would be eligible if they wished to move into the Freeport site.

A further discussion was had regarding assurances that businesses moving into the site would share Wirral's values and targets such as the net-zero target, as well as offering support to the Metro Mayor, employment charter and investment strategy. Members were told that there were strong gateway policies, and that businesses would have to demonstrate that they meet the criteria for which would include fair employment, net zero targets for the Liverpool City Region as well as the equivalent policies for each local site.

Councillor J Robinson noted that she had a question that related to one of the exempt appendices and therefore on a motion by Councillor P Martin and seconded by Councillor J Robinson, it was –

Resolved – That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following item of business on the grounds it involves the likely disclosure of exempt information as defined by paragraph 3 of Part I of Schedule 12A (as amended) to the Act. The Public Interest test had been applied and favoured exclusion.

On a motion by Councillor D Mitchell and seconded by Councillor P Martin, it was -

Resolved (10:1) – That

- 1. Authority be delegated to the Director of Law and Governance (in consultation with the Director of Regeneration and Place, and the Director of Finance):**
 - (a) to negotiate, finalise and sign the Memorandum of Understanding (substantially in accordance with the draft set out in the exempt Appendix 2 to the report) relating to the terms, principles and practices that will apply to the working relationship between the parties regarding the delivery and administration of the Liverpool City Region Freeport.**
 - (b) To negotiate and complete any associated legal documentation which aligns with the principles set out in the proposed Memorandum of Understanding.**
- 2. The Business Case for establishing the Wirral Freeport Investment Fund be endorsed.**
- 3. Policy and Resources Committee be recommended to approve that :**
 - (a) the Wirral Freeport Investment Fund is established from 1 April 2023 (or as soon as regulations designate the Wirral Waters Tax Site for business rates retention purposes) and is managed and operated according to the arrangements detailed within this report and accompanying Business Case and the principles set out in the draft Retained Business Rates Strategy which forms a component of the Memorandum of Understanding.**
 - (b) growth in business rates above the baseline within the Wirral Freeport Tax Site is held to a ring-fenced reserve which would fund:**

- **investment in approved projects and the future repayment of capital borrowing for investments made by the Wirral Freeport Investment Fund;**
- **the annual costs required to resource the administration and management of the Wirral Freeport Investment Fund from financial year 2023/24;**
- **the Council's pro-rata annual contribution to the Liverpool City Region (LCR) Freeport Management Team costs from financial year 2024/25;**