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Claire Barker MSP
Convener of the Economy and Fair Work Committee
Scottish Parliament
Edinburgh
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6 March 2024

Dear Claire,

GREEN FREEPORTS AND INVESTMENT ZONES: EXTENSION OF TAX WINDOW

I am writing to update the Committee on Green Freeports and Investment Zones in Scotland - programmes which are both being taken forward on a partnership basis between the Scottish and UK Governments.

At the Autumn Statement, the UK Government announced that it was extending the duration of the tax reliefs available in Freeports and in Investment Zones in England from five to ten years, in order to maximise the impact of the programmes; and it promised to work with the devolved governments to agree how a 10-year window to claim reliefs could be extended to Scotland and Wales.

Since then, Scottish and UK Government officials have discussed the issues and the implications for Scotland of the extension in detail. In the light of those discussions, Scottish Ministers have confirmed to the UK Government that that we can agree to extend the window, covering both reserved and devolved elements of the programmes, from 2029 to 2034 - subject to a review in 2028 to look at uptake, impact and progress towards overall programme goals. The Chancellor of the Exchequer announced that decision in today's Spring Budget.

In agreeing to this extension, we made clear to the UK Government that we are strongly supportive of firm joint action to ensure that the Green Freeports and prospective Investment Zones - and the landowners and businesses operating within them - all live up to a clear set of policy commitments, particularly in relation to net zero and Fair Work; and stressed that we are keen to explore ways in which a greater element of conditionality could be introduced in relation to the financial incentives that support these two programmes.

Scottish Government officials will continue to work constructively and at pace with their UK Government counterparts, with the Forth and Inverness and Cromarty Firth Green Freeport consortia, and with the Glasgow City Region and North East Scotland Regional Economic

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Partnerships, to get Scotland's Green Freeports and Investment Zones up and running as quickly as possible; and to seek to ensure that the programmes have the maximum positive impact for businesses, communities and Scotland's wider economy.

Going forward, I will ensure that the Committee is kept informed of progress with both programmes as we move from proposals, to business cases, to real delivery on the ground.



MÀIRI MCALLAN

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