

REPORT TO TEESSIDE FREEPORT GOVERNANCE BOARD**29th SEPTEMBER 2022****REPORT OF THE DIRECTOR OF FREEPORT****WORKSTREAM DEVELOPMENT****SUMMARY**

The purpose of this paper is to discuss the opportunities to reflect the transition from Freeport Business Case conclusion into the operational phase of Teesside Freeport.

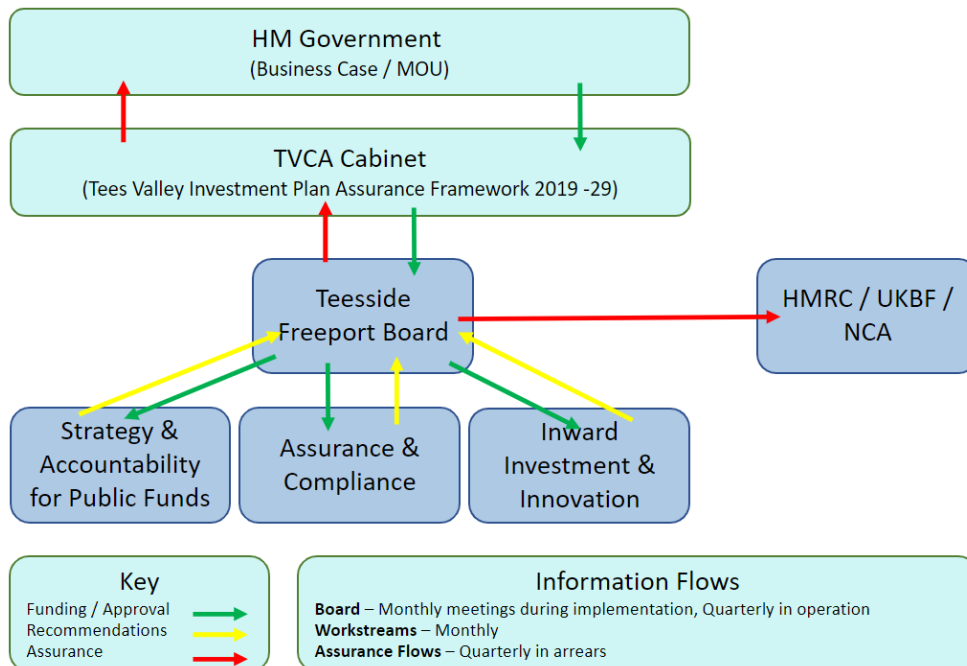
The proposal supports the ongoing requirements of the Board and HMG to ensure Governance, delivery of outcomes and management of risk.

RECOMMENDATIONS

It is recommended that the Freeport Board review and accept the proposed changes to the Freeport Governance arrangements.

DETAIL

1. The Teesside Freeport harnesses the strengths of existing collaborative structures across the Tees Valley whilst also recognising the requirements to provide good governance practice to oversee the Teesside Freeport.
2. Specific workstreams foster a coalition of the relevant parties across the Freeport to complete specific requirements to support the development of the Full Business Case and initial delivery.
3. The structure was approved by the Minister for MHCLG, Robert Jenrick in May 2021.



4. The workstreams have been focused predominately on the development and approval of the FBC whilst providing assurance to the Board. As part of the development of the FBC and interaction with both the workstreams and HMG departments a number of focus areas have been required to compliment the delivery of Teesside Freeport.
5. The focus groups have supported marketing, customs facilitation & assurance and inward investment activity and have been reported through the relevant workstreams.
6. The requirement to hold focus groups, highlighted several gaps and issues in the structure of the workstreams that this paper is considering to address and better enable the Freeport to deliver in operation.
7. The gaps highlighted have fallen into 3 main areas:
 - a. Frequency – Demands on organisations time and resources is becoming onerous and leading to a lack of engagement and attendance.
 - b. Scope – The width of the workstream focus requires a broad audience which has resulted in focused additional meetings being required.
 - c. Risk – The management of risk and the members of the workstream need to be streamlined to reflect revised HMG – Home Office requirements.
8. As the business case activity is almost complete, it is proposed to revise the supporting workstreams into 4 distinct elements:
 - a. Strategy & Accountability for Public Finances – This meeting would remain as is however as capital funding is drawn down it will report on both revenue and capital spending.
 - b. Risk Assurance – This meeting will follow the split focus of general Freeport risk and specific Security & Illicit risk and will enable greater focus and

participation with law enforcement and policing bodies. This has the benefit of aligning with HMRC and Home Office guidance.

- c. Marketing & Investment – A dedicated meeting to drive investment and aligned with the LEP structure. This will drive the discussion and Teesside Freeports ability to better target sectors and utilise both the Freeport and stakeholders to deliver new opportunities to the region.
- d. Innovation & Skills – Aligned with the development of Freeport market sectors to utilise and enhance the regional eco-system for learning and growth.

- 9. A structure is provided as **Appendix 1**.
- 10. Draft Terms of Reference have been provided for each workstream in **Appendix 2**.
- 11. It should be noted, that as part of the recommendation both the Board meeting and workstreams are proposed to move to a quarterly cycle. This frequency is planned to enable a balanced approach with 2 workstream meetings in months 1 & 2 and the Board meeting in month 3. The cycle then repeats.
- 12. As with the initial governance arrangements, these changes would be agreed with DHLUC prior to adoption and implementation.
- 13. The revised workstreams would encourage full stakeholder participation and be managed to ensure the development pathway is cognisant of the assurance framework and the requirements of the MOU provide under item 4.

FINANCIAL IMPLICATIONS

- 14. There are no direct financial implications arising from this report.

LEGAL IMPLICATIONS

- 15. There are no specific legal implications arising from this report.

RISK ASSESSMENT

- 16. There are no specific risk implications arising from this report.

CONSULTATION & COMMUNICATION

- 17. Initial stakeholder engagement meetings have commenced both individually and through reference group meetings.

EQUALITY & DIVERSITY

- 18. No specific impacts on groups of people with protected characteristics have been identified

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