

AGENDA ITEM 8

REPORT TO THE TEESSIDE FREEPORT GOVERNANCE BOARD

17th MARCH 2022

REPORT OF THE DIRECTOR OF FREEPORT

FREEPORT DELIVERY PLAN UPDATE

SUMMARY

The purpose of this paper is to provide an update to Teesside Freeport Governance Board on the key activity since the last meeting of 20th January 2022.

RECOMMENDATIONS

It is recommended that the Board notes the content of this update report.

PROGRAMME DEVELOPMENT

1. Teesside Freeport - Full Business Case (FBC) was submitted on 31st January following circulation and feedback from the Board. The FBC has been reviewed by multiple HMG departments and we are anticipated receiving feedback in March.
2. An expression of interest for an Ecosystem of Trust associated to the Centre for Frictionless Trade (C4FT) was submitted to the Cabinet Office on 31st March. An initial discussion has been held with Cabinet Office to discuss this proposal.
3. A number of stakeholder meetings have been conducted to review their current facilities and support the customs discussions with DLUHC policy team. As a consequence, WSP have been engaged through the DLUHC Freeport Hub to visit an active site (Port of Middlesbrough) and a development site (Teesworks) to review and consider how customs facilitation can be aligned with existing requirements.
4. Two meetings have been held with the Freeport Sub Security Board (FSSB) to discuss the additional level of risk created by Teesside Freeport and how this will be mitigated. The meetings have been productive as they have highlighted the risks FSSB are concerned with and how these are predominately managed through existing business practice and the Ports Security Authority (PSA). A follow meeting is being planned to explore the possibility of including freeport custom zones that are not currently covered by the PSA on an affiliate basis.
5. Through the HMRC monthly meetings, Teesside Freeport have been able to resolve customs trading issues associated with offshore and materials processing businesses which would prove beneficial to their respective operations.
6. Significant focus on transitioning the Freeport team from delivery to operational outputs has been undertaken and will lead to recruitment and / or acquisition of support.

KEY MILESTONES

7. The programme delivery plan is a dynamic document being reviewed weekly following engagement with stakeholders and formally updated fortnightly.
8. The next significant milestones within the plan are:

By 31st March	By 30 th April	By 30 th June
<p>Formalise organisational structures for operation of Freeport Delivery Model and replace business case support mechanisms</p> <p>Develop 'offer ' to inward investors, include FREN innovation, skills, provide toolkit for stakeholders</p>	<p>Review FBC critical actions and conclude with DLUHC</p> <p>Review and potentially combine innovation centres (C4FT & CDTI)</p> <p>Promote Freeport through investment webcast hosted by Barclays</p>	<p>Develop investment business case content</p> <p>Signpost: jobs (outreach, local people, inequalities)</p> <p>Signpost: procurement opportunities (third tier & on, engagement for local businesses)</p>

9. A delivery plan is shown in **Appendix 1** to this report.

FINANCIAL IMPLICATIONS

10. The budget for the initial year capacity funding for the project is monitored by the Strategy and Accountability for Public Money workstream, discussed in Agenda Item 6. TVCA provides assurance and management of the funding as the accountable public body.

LEGAL IMPLICATIONS

11. This update report has no specific legal implications.

RISK ASSESSMENT

12. The approach to Risk has been provided under agenda item 9.

CONSULTATION & COMMUNICATION

13. Stakeholder engagement meetings have continued during the period between meetings both on an individual and reference group basis.
14. The workstream meetings have commenced and are reported under agenda items 5, 6 and 7.
15. The MHCLG Freeport group meeting of all eight Freeports has commenced and is held every 2 weeks. A brief update on each meeting is in the process being circulated to the Board on a fortnightly basis.
16. A monthly meeting between the Freeport team and HMRC has commenced to support the development of guidance and implementation.
17. Meetings have been held with NCA, UKBF and local policing to commence security and illicit activity threat assessment in the context of Freeports.

EQUALITY & DIVERSITY

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

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