

REPORT TO TEESSIDE FREEPORT GOVERNANCE BOARD**29th SEPTEMBER 2022****REPORT OF PROJECT DEVELOPMENT MANAGER****FREEPORT DELIVERY PLAN UPDATE****SUMMARY**

The purpose of this paper is to provide an update to Teesside Freeport Governance Board on the key activity in the period.

RECOMMENDATIONS

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

DETAIL

1. Teesside Freeport - Full Business Case (FBC) was submitted on 31st January following circulation and feedback from the Board.
2. The FBC has been reviewed by multiple HMG departments and feedback was received in March. The Feedback covered several areas of clarification and where stakeholder input was required, such as on timelines for land preparation, existing planning consents etc, discussions have been held with the relevant partners and reflected in the submission to HMG on 18th April.
3. Teesside Freeport finally received feedback on 4th July. As a result of this late receipt, the timescale for providing our response w squeezed. The deadline for responses proposed by DHLUC was 29th July. This deadline was met, further review by DLUHC left two outstanding actions to be responded to by 6th September. This further short deadline was met, and all items have been responded to, subject to ratification by this board of the Tax Site Management policy, (under separate cover).
4. The short timelines were proposed by DLUHC to fit with Treasury processes and enable drawdown of the 2022/2023 Revenue Funding towards operational costs, and the initial tranche of Capital Seed Funding in October. This timeline assumes the responses are agreed by this Board and DLUHC, the FBC finalised, and the Memorandum of Understanding could be signed.
5. Once feedback has been received the delivery plan can be updated and operational resource decisions can be progressed to underpin the success of the Freeport. The next phase is to agree with Invest Tees Valley the optimum structure to progress the Inward Investment activities and formalising the wider matrix structure of TVCA staff.

6. The Freeport Director continues attending events to market Teesside Freeport, provide though leadership on Customs facilitation and progress leads.
7. TVCA Project Development support has been allocated to progress the ICC's Centre for Digital Trade and Innovation (C4DTI), and to support the development and delivery of initial Digital Test Bed pilots.
8. Use of WSP (funded by the DLUHC policy team and Freeport Hub) is progressing to develop pragmatic proposals for custom zone deployment. The visit to an active site (Port of Middlesbrough) and a development site (Teesworks) is informing Zoning of customs sites according to the level of security required, and Workforce, Visitor and Non-Person journeys which illustrate where risks lie and therefore how customs facilitation can managed and innovated using a mix of digital and traditional monitoring solutions.
9. A report has been drafted by WSP and shared with the custom site operators through the A&C workstream.
10. Work has been ongoing to enable the CSO operator, Casper Shipping to apply for the Freeport Special Procedure Authorisation. This is quite significant as this would effectively allow Casper to operate as a business and offer the benefits of the Freeport to customers, without the customer requiring a separate authorisation from HMRC. This authorisation was achieved on 25th August and represents another first for Teesside Freeport.
11. The Freeport is currently facilitating the discussions to establish the first active trading flow through custom zone within September.
12. Significant focus has been to ensure a successful transition from delivery to operational performance however, due to the extending period for FBC approval and MOU agreement, several of the delivery team are being retained for an extended period.

KEY MILESTONES

13. The next significant milestones within the plan are:

By 30 th September	By 30 th October	By 31st December
<p>Submit Revenue draw down request by 9th Sept</p> <p>Confirm Tax Site Management Policy and Retained Business Rates Investment Framework.</p> <p>Revise Full Business Case document and Annexes to incorporate Critical Actions and refreshed calculations.</p> <p>Establish the first active trading flow through custom zone.</p>	<p>Receive, agree and sign final MoU.</p> <p>Receive 2022/ 2023 tranche of Revenue Funding and Capital Funding</p> <p>Freeport operational staff structure confirmed.</p> <p>Conclude and implement workstream development reviews</p>	<p>Conclude C4DTI business case process</p> <p>Progress Digital Test Bed proposals for Seed Fund with milestones for roll out of projects</p>

FINANCIAL IMPLICATIONS

14. The budget for the project is monitored by the Strategy and Accountability for Public Money workstream. TVCA provides assurance and management of the funding as the accountable public body.

LEGAL IMPLICATIONS

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

RISK ASSESSMENT

16. The approach to Risk is provided under a separate agenda item.

CONSULTATION & COMMUNICATION

17. Stakeholder engagement meetings have continued during the period between meetings both on an individual and reference group basis.

18. The workstream meetings have commenced and are reported under separate agenda items.

19. The Freeport Director attends the DHLUC Freeport group meeting of all eight Freeports every 2 weeks. A brief update on each meeting is in the process being circulated to the Board on a fortnightly basis.

20. Monthly meetings between the Freeport team and HMRC has commenced to support the development of guidance and implementation.

EQUALITY & DIVERSITY

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

Name of Contact Officer: Liz Hutchinson
Post Title: Project Development Manager
Email Address: Elizabeth.Hutchinson@teesvalley-ca.gov.uk