

**REPORT TO TEESSIDE FREEPORT GOVERNANCE BOARD****17<sup>th</sup> NOVEMBER 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. The 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 several review questions and/or clarifications were raised as anticipated in March, which the Freeport team responded to by the deadline of 18<sup>th</sup> April.
2. DLUHC have reviewed the 18<sup>th</sup> April submission and whilst they closed the majority of actions, they issued a further list of clarifications on 4<sup>th</sup> July. The Freeport team provided a response to these before the deadline of 29<sup>th</sup> July.
3. These responses have been reviewed, and the DLUHC team have concluded that all the outstanding issues have been addressed.
4. The Freeport team have incorporated these updates into a reviewed version of the Full Business Case.
5. The DLUHC Freeport Programme Board reviewed and approved the FBC and clarifications on 14<sup>th</sup> September.
6. The FBC was then presented to the Treasury Advisory Panel (TAP) which on 29<sup>th</sup> September and passed for Ministerial approval.
7. No date for the Ministerial approval has been confirmed at the time of writing following a restructuring process in Westminster.
8. The Freeport MOU has been issued and is under review pending issue to external council.

9. 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.
10. The Freeport Director continues attending events to market Teesside Freeport, provide thought leadership on Customs facilitation and progress leads.
11. 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.
12. A project plan is underdevelopment for 5G deployment and a proposal will be presented to the Board in the new year.
13. 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.
14. A report has been finalised following review by the A&C workstream and submitted to HMRC for review. Due to the changes at HMG, it is not anticipated that this document will be reviewed prior to the end of year.
15. Work has been ongoing to enable the CSO operator, Casper Shipping to apply for the Freeport Special Procedure Authorisation. This is quite significant as it has allowed the first customs customer to utilise a Freeport as reported in item 4. This is another first for Teesside Freeport.
16. The Freeport continues to operate on a matrix structure, drawing resources from TVCA to support the FBC approval, MOU agreement and transition to operational Freeport. , several of the delivery team are being retained for an extended period.

## KEY MILESTONES

17. The next significant milestones within the plan are:

By 17 <sup>th</sup> November	By 31 <sup>st</sup> December	By 31st January
<p>Confirm Tax Site Management Policy and Retained Business Rates Investment Framework.</p> <p>Conclude and implement workstream development reviews.</p>	<p>Receive, agree and approve final MoU.</p> <p>Receive 2022/ 2023 tranche of Revenue Funding and Capital Funding</p> <p>Freeport operational structure confirmed.</p>	<p>Progress Digital Test Bed proposals for Seed Fund with milestones for roll out of projects</p> <p>Apply for initial tranche of Capital Funding</p>

## FINANCIAL IMPLICATIONS

18. 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

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

## RISK ASSESSMENT

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

## CONSULTATION & COMMUNICATION

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

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

23. 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.

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

**EQUALITY & DIVERSITY**

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

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