

REPORT TO TEESSIDE FREEPORT GOVERNANCE BOARD**24th March 2023****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) and the MOU has been approved and Teesside Freeport has passed through the final setup and designation process with HMG. Seed funding will be released and utilised in accordance with the FBC over the next 3 tax years.
2. Following the previous Board meeting the new structure for workstreams has been rolled out to better support the operations of the Freeport, with the specific workstreams reporting under items 5, 6, 7 & 8.

Tax Site Development

3. **SeAH Wind** – Construction in progress. Piling work is underway for the 800m long offshore monopile manufacturing facility. SeAH Wind are currently building its Senior Management Team and support functions, this would accelerate towards the end of this calendar year, and into the early part of 2024, ready for production commencing in mid-2024.
4. **Renew ELP** - Based at the Wilton International site, the facility is on track to be operational in 2023 and has awarded px Group a 10 year operations and maintenance (O&M) agreement.
5. **Nova Pangea** – Have announced the signing of an Exclusivity Agreement and Heads of Terms for a plot at Wilton International. This will be home to Nova Pangea's first commercial plant, NOVAONE, and new headquarters. NOVAONE will be the UK's first second generation bioethanol facility, with construction expected to begin in 2023.

6. **Sembcorp Battery Storage** - Secured a 15-year contract for 150MW of two-hour duration battery storage (equivalent to 300MWh) in the provisional results for the latest T-4 2025 / 26 Capacity Market auction. This 150MW tranche, expected to be operational by 2023
7. **Circular Fuels** – Site has been selected and have submitted formal planning permission plans for their first >£150m waste-to-DME production plant at Teesworks
8. **Tees Valley Lithium** – Site has been selected, TVL has received full planning permission to build the UK's first – and Europe's largest – Lithium Hydroxide refinery.
9. **Teesworks Park & Ride** – Planning Granted. The 35-acre site, located near the former SSI Steel House, Redcar, will see parking for more than 1,500 vehicles. The hub will also host shuttlebuses from the car park to Teesworks projects in a bid to keep congestion to a minimum both on-site and on the wider road network.

Custom Zone Development

10. The Freeport team continue to press HMRC on the development of hybrid custom zones that take advantage of modern tracking and traceability solutions in conjunction with physical barriers in high-risk areas.
11. The primary custom zone continues to support the trade of products into the UK and is working on several enquiries for further facilitation. The management of operations of PCZ is under review to deliver a responsive service as demand increases.
12. Discussions continue with Freeport partners regarding the development of custom zones within their locations however owing to the lack of clarity from HMRC regarding the hybrid custom model, these are not progressing further currently.

Centre for Digital Trade & Innovation

13. The Centre for Digital Trade and Innovation (C4DTI) was formally launched at its location at Teesside University in Middlesbrough on 8th March.
14. Since it began its activity last April with the appointment of its first Director and receiving strong support from ministers at the Department of International Trade and Cabinet Office, the C4DTI has already started on its work to provide a practical framework for collaborative and open pilot work in digitalising International Trade.
15. Teesside Freeport have supported the work of C4DTI and are founding Board members.
16. A project plan is under development for the development of a 5G innovation centre and a proposal will be presented to the Board in later this year. Whilst the Freeport has a limited budget to development the centre, we are working with ICC and Teesside University to access additional funding.

KEY MILESTONES

17. The next significant milestones are:

By 31 st March	By 30 th June	By 30 th September
<p>Conclude and implement workstream development structure.</p> <p>Launch C4DTI (Teesside Campus)</p> <p>Receive first seed fund payment.</p>	<p>Progress Digital Test Bed proposal for Board review.</p> <p>Embed support roles following TVCA re-organisation.</p> <p>Additional custom zone customers confirmed</p>	<p>Complete annual review for M&E reporting</p> <p>South Bank Quay completion</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

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