

**AGENDA ITEM 5****REPORT TO THE TEESSIDE FREEPORT GOVERNANCE BOARD****18<sup>th</sup> NOVEMBER 2021****REPORT OF THE FREEPORT DIRECTOR****UPDATE FROM ASSURANCE & COMPLIANCE WORKSTREAM MEETING****SUMMARY**

The purpose of this paper is to update the Freeport Governance Board on the activities of the Assurance & Compliance workstream

**RECOMMENDATIONS**

It is recommended that the updates are noted.

**DETAIL**

1. The Assurance and Compliance Workstream met on 4<sup>th</sup> October, and was chaired by Nolan Gray, Freeport Director in the absence of Julie Gilhespie.
2. The group was updated on the HMRC Guidance documents that have been issued. A compilation of the 5 documents will be shared for convenient reference. Draft guidance for completing the Full Business Case has been issued to support delivery by the deadline of 10<sup>th</sup> December 2021.
3. The requirements for an operational Primary Customs Zone (PCZ) will be met by the end of October, which is required to be in place for Freeport designation. The three acre PCZ site has been cleared, is ready for fencing, and the operator of the site, ██████████, will have their AEO Accreditation applied to this site.
4. Individual discussions for the secondary customs sites continue between the Freeport Director and ██████████ export experts and the site operators, which will inform site specific arrangements.
5. In the methodology for systems architecture has been provided, the existing Destin8 system meets the requirements and will be used.
6. Minutes of the meetings are attached.

## **FINANCIAL IMPLICATIONS**

7. There are no financial implications arising from this report.

## **LEGAL IMPLICATIONS**

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

## **RISK ASSESSMENT**

9. There are no specific risk implications arising from this report.

## **CONSULTATION & COMMUNICATION**

10. Initial stakeholder engagement meetings have commenced both individually and through reference group meetings. A stakeholder engagement plan is being finalised, with completion expected 25<sup>h</sup> June.

## **EQUALITY & DIVERSITY**

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

**Name of Contact Officer: Nolan Gray**

**Post Title: Freeport Director**

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## **FREPORT ASSURANCE & COMPLIANCE WORKSTREAM MINUTES**

Date: Monday 4<sup>th</sup> October 2021

Time: 2:00 pm Meeting took place using Microsoft Teams

Attendees:	Organisation:	Apologies:
Nolan Gray (NG) [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	Tees Valley Combined Authority Sembcorp AV Dawson Port Clarence PD Ports LV Shipping Redcar Bulk Terminal Tees Valley Combined Authority	[REDACTED] Able UK Julie Gilhespie (JG) Tees Valley Combined Authority [REDACTED] Teesworks [REDACTED] Tees Valley Combined Authority [REDACTED] Liberty Steel [REDACTED] 2M [REDACTED] UKBF [REDACTED] Teesside International

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
1.	Apologies	As above	None	
2.	Declarations of Interest	None declared		
3.	Minutes	Minutes of previous meeting accepted as a true record		

4.	HMRC Guidance	<p>NG reviewed the paper and provided 2 points of note:</p> <p>All 5 items of HMRC guidance will be sent out following the meeting, this is so all that has been provided to date will be all in one place. These items include a document regarding joint &amp; several liability.</p> <p>We have a 1:1 with HMRC each month, if workstream members also wish to have direct access and part of those 1:1s please advise NG and the invitation to the meetings will be extended.</p> <p>■ Frontier Ports already have Joint &amp; several liability</p> <p>HMRC FBC guidance has just been issued, it is a detailed guide to complete the FBC. We are in the process of reviewing.</p> <p>■ Secondary customs sites – is there clarity?  NG: We will read through the guidance fully, and seek legal opinion on the rules of delivery and the proposed benefits from customs sites. We will share the document.</p> <p>■ What about guidance that was due on 8<sup>th</sup> Oct?  NG: If there is more to come, we will share it</p>		
5.	Custom Zone Progress update	<p>NG reviewed the paper.</p> <p>NG has visited several sites, is still to liaise diaries to organise the rest of the visits. At the site visit with Keith Robe from ■ who are leading the AEO(S) accreditation process</p> <p>Regarding the Primary Customs Zone (PCZ) site preparedness – the 3 acre site for the PCZ is cleared, and ready to install the fence lines; We have applied to extend ■ accreditation to cover the PCZ. On track to deliver by the end of October.</p>		

		For secondary zones, what can/can't be delivered at each site is clear from discussions with the operators.		
6.	Business Case: Update on Full Business Case	NG referred to the paper. Also, in addition to the paper, the HMRC FBC guidance has just been received. As above, to be reviewed		
7.	Systems Architecture	NG provided a verbal update.  Latest guidance from HMRC – Declaring Goods and Paying Tax when using a Freeport Site – have not specified a system, but have discussed the movement, so there is a methodology, so can use existing port community system to roll out the Primary Customs Zone. Will use existing Destin8, which will be sufficient pending any other guidance		
8.	Action Register / Forward Plan	Meetings for Workstreams are planned to the end of the year. FBC to be submitted 10/12 Once submitted board will review timing of meetings, so may extend board to bi-monthly or quarterly. We await outcome from the board in November. There will also be additional meeting for specific items eg customs workshops as required		
9.	AOB	None		
10.	Date and Time of Next Meeting	Monday 25th October 2021 10am		

