

**AGENDA ITEM 6****REPORT TO THE TEESSIDE FREEPORT GOVERNANCE BOARD****18<sup>th</sup> NOVEMBER 2021****REPORT OF THE DIRECTOR OF FINANCE & RESOURCES****UPDATE FROM THE STRATEGY & ACCOUNTABILITY FOR PUBLIC MONEY WORKSTREAM****SUMMARY**

The purpose of this paper is to update the Freeport Governance Board on the activities of the Strategy and Accountability for Public Money workstream.

**RECOMMENDATIONS**

It is recommended that the updates are noted.

**DETAIL**

1. The Strategy and Accountability for Public Money Workstream met on 28<sup>th</sup> September, chaired by Cllr Mary Lanigan (Leader of Redcar and Cleveland Borough Council) supported by Gary Macdonald, TVCA Group Director of Finance & Resources.
2. The group received an update on the Freeport Network. The Network traction around this process, dates for reference groups are in progress, digital, green hydrogen, transport. There will be more engagement to come with the board and the workstreams as these reference groups develop.
3. The Outline Business Case has been reviewed by MHCLG and HMRC. This will be used along with confirmed tax maps, the operational Primary Customs Zone and satisfactory answers to 7 critical answers. We are working with the Freeport Hub (government funded consultancy support) and MHCLG to provide the answers. **The deadline is 11<sup>th</sup> October.**
4. The budget to deliver Freeport Designation is being cautiously spend, only as needed. Other funded resources – the government funded Freeport Hub – are being maximised and used first, conserving funds for marketing activity at the appropriate time.
5. Minutes of the meetings are attached.

**FINANCIAL IMPLICATIONS**

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

**LEGAL IMPLICATIONS**

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

**RISK ASSESSMENT**

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

**CONSULTATION & COMMUNICATION**

9. Stakeholder engagement meetings have taken place both individually and through reference group meetings.

**EQUALITY & DIVERSITY**

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

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**FREEPORT STRATEGY & ACCOUNTABILITY FOR PUBLIC MONEY WORKSTREAM MINUTES**

Date: Tuesday 28<sup>th</sup> September 2021

Time: 9:00 am Meeting took place using Microsoft Teams

Attendees:		Apologies:
Mary Lanigan (ML) (Chair)	Redcar & Cleveland BC	[REDACTED] Able UK
Gary MacDonald	Tees Valley Combined Authority	[REDACTED] Energy Networks
Phil Winstanley (PW)	Redcar & Cleveland BC	[REDACTED] Teesside International Airport
[REDACTED]	Redcar Bulk Terminal	[REDACTED] MHCLG
[REDACTED]	AV Dawson	[REDACTED] PD Ports
[REDACTED]	Wilton Engineering	
[REDACTED]	LV Shipping	
[REDACTED]	Sembcorp	
Nolan Gray (NG)	Tees Valley Combined Authority	
[REDACTED]	Tees Valley Combined Authority	

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
1.	Apologies	As above		
2.	Declarations of Interest	None		
3.	Minutes & Action of Previous Meeting	Confirmed as a true record		

4.	Freeport Network Update	<p>The contents of this report were noted</p> <p>NG verbally updated: we now have traction around this process, dates for reference groups are in progress, digital, green hydrogen, transport. There will be more engagement to come with the workstreams as these reference groups progress</p>		
5.	Outline Business Case - Feedback	<p>The contents of this report were noted</p> <p>NG verbally updated: we are still on track to have the Freeport designated by the end of October. The OBC that was submitted at the end of July is the business case government are using to make their decision on, combined with tax maps and the set up of the Primary Customs Zone.</p> <p>In addition there are 7 critical actions which we are answering, 6 can be answered internally within TVCA, the other is regarding retained business rates, and we are working well with Redcar &amp; Cleveland BC.</p> <p>■ not had meeting yet due to diary constraints – NG will be visiting later this week or next</p>		
6.	Accounting for Public Money – Reporting Requirements	<p>Paper circulated in advance, the contents referenced and explained.</p> <p>NG &amp; GM explained we are being cautious with expenditure. We are not spending if we don't need to, we are using govt £300k (we have £1m committed from government over 3 years, profiled £300k this year). The remainder of the budget is provided by match funding from TVCA.</p> <p>Some of spend is not required to be committed until we are designated eg on marketing and business development.</p> <p>We do expect to spend it all, but only when we need to. We are also maximising the government funded allocation of consultancy services</p> <p>ML raised an issue which applies across all potential Freeports. The March budget announcement stimulated interest in Freeports and led to investment decisions being</p>		

		<p>made. We want to ensure that those businesses with early interest are not penalised for having registered interest before sites are formally designated.</p> <p>█: We have verbal confirmation from government on freeport that the tax benefits will be honoured even though businesses' investment decisions were made prior to designation</p> <p>█: Good progress is being made from our end, quick responses from Nolan and the team but govt delayed FBC by 10<sup>th</sup> Dec. Is this an issue for the FBC?</p> <p>NG: Cabinet reshuffle may possibly delay the issue of final guidelines (it is awaiting Michael Gove's signature, who has taken over from Robert Jenrick).</p> <p>ML: Met with Michael Gove, briefed him on all aspects of what we are trying to achieve. He was well briefed by the Whitehall team and is well aware of Teesside.</p> <p>GM: The work the team are doing on will contribute to the FBC, we will be able to meet with processes set by government. We await further guidelines and requirements, which we will share when received, we don't think this is an issue. The work NG is doing with each customs zone will support the delivery of the final business case.</p>		
7.	Forward plan	Meetings in diary to the end of the year to meet with the FBC development. They may change frequency when we move into delivery phase. Other meetings on marketing and customs zones are taking place, other operational meetings may be required.		
8.	AOB	None		
9.	Date and Time of Next Meeting	Tuesday 2 <sup>nd</sup> November 2021, 2pm		

