

AGENDA ITEM 7

REPORT TO THE TEESSIDE FREEPORT GOVERNANCE BOARD

18th NOVEMBER 2021

REPORT OF THE DIRECTOR OF BUSINESS AND SKILLS

UPDATE FROM THE INWARD INVESTMENT AND INNOVATION WORKSTREAM

SUMMARY

The purpose of this paper is to update the Freeport Governance Board on the activities of the Inward Investment and Innovation workstream.

RECOMMENDATIONS

It is recommended that the updates are noted.

DETAIL

1. The Inward Investment and Innovation workstream met on 29th September. Andy Preston, Middlesbrough Mayor, chaired the meeting, supported by Chris Beck, Director of Business and Skills, and Nolan Gray, Freeport Director.
2. The outline business case (OBC) was submitted on 30th July 2021, has been assessed by government. For designation there are 7 critical questions to answer, 6 can be answered within TVCA, to answer the other question we are working with Redcar & Cleveland BC. Providing satisfactory answers, along with agreed tax maps, and the Primary Customs Zone will be sufficient for designation final guidance on requirement for FBC.
3. The detail that will be required to complete the FBC will require support from workstream members. Nolan Gray is visiting operators of potential customs zones, with export expertise provided by [REDACTED] to understand individual site requirements.
4. Draft minutes of the meetings are attached.

FINANCIAL IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK ASSESSMENT

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

CONSULTATION & COMMUNICATION

8. Initial stakeholder engagement meetings have commenced both individually and through reference group meetings. A stakeholder engagement plan is being finalised, with completion expected 25th June.

EQUALITY & DIVERSITY

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

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FREPORT INWARD INVESTMENT & INNOVATION WORKSTREAM MINUTES

Date: Wednesday 29th September 2021 Time: 1pm Meeting took place using Microsoft Teams

Attendees:		Apologies:
Andy Preston (AP)	Middlesbrough Mayor	██████████ WUGL
Chris Beck (CB)	Tees Valley Combined Authority	██████████ LV Shipping (M Ord deputising)
██████████	Sembcorp	██████████ Liberty Steel
██████████	AV Dawson	██████████ Teesside International
██████████	PD Ports	Neil Etherington (NE) Able UK
██████████	TeesWorks	██████████ Darlington Borough Council
██████████	Redcar Bulk Terminal	██████████ Wilton Centre
██████████	LV Shipping	
██████████	Middlesbrough Borough Council	
██████████	Redcar & Cleveland Borough Council	
██████████	Stockton Borough Council	
██████████	Hartlepool Borough Council	
██████████	Tees Valley Combined Authority	
Nolan Gray (NG)	Tees Valley Combined Authority	
██████████	Tees Valley Combined Authority	
██████████	Tees Valley Combined Authority	

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
1.	Introductions			
2.	Apologies	As above		
3	Minutes of Previous Meeting	Confirmed by all members as a true and accurate record.		

4.	Declarations of Interest	None		
5.	Standing Item: update: Update on inward investment & marketing activity	The contents of the report sent out in advance were noted. No discussion or questions raised		
6.	Standing Item: update: Relevant innovation projects	CB provided verbal update on three relevant programmes / projects Net Zero Teesside with Teesside University is progressing Bio Processing with CPI is ongoing Frictionless Trade – this is not to be included in the autumn government spending review. Funding for this is now to be lobbied for directly to government.		
7.	Standing Item: update: Relevant skills projects	<p>CB provided verbal update The Adult Education Budget is now in place & allocations made Now developing skills activities. The training available via the Teesworks Academy focusses on the work being carried out on site now, so is mainly construction, demolitions type skills. Looking to the future of the site, when new businesses e.g. GE start, there will be new skills required, so the training available will change to suit. Are there areas that not currently supported by AEB where the workstream members can see a gap? Are there skills – either generic or freeport specific – that will need to be included in the Teesworks Academy’s provision?</p> <p>■ In the Teesport area there are unfulfilled vacancies for many workers. The issue is not around training, but physical access to work (no buses). Can transport and access to work be considered for solutions rather than skills?</p> <p>■ As a member of the Tees & Hartlepool Port User Authority – there are known issues to get staff, again due to transport issues. Getting people onto the port is issue for various employers, and many are in great need of staff. CB: Will discuss with transport team options for practical solutions e.g. could employers provide a bus service and coordinate their shift patterns / align start / end times.</p>	CB to talk to transport colleagues	
8.	Full Business Case Update	The contents of the report sent out in advance were noted		

NG provided explanatory comments: Points to note, timings are set by central government timetable. We are still looking at receiving designation at end Oct / early Nov.

For designation, government have assessed the OBC. There are 7 critical questions to answer, 6 can be answered within TVCA, to answer the other question we are working with Redcar & Cleveland BC. Providing satisfactory answers, along with agreed tax maps, and the Primary Customs Zone will be sufficient for designation.

Government have delayed the Full Business Case submission deadline to 10th Dec. This is necessary as we are awaiting guidance on requirement for FBC. This will come from the new minister (was Robert Jenrick prior to the cabinet reshuffle, it is now Michael Gove). Mr Gove was impressed with Teesside when he visited the Freeport and wider Teesside last week.

The detail that will be required to complete the FBC will require support from workstream members. NG is visiting operators of potential customs zones, to understand individual site requirements. Findings from these discussions will help shape the FBC

■ If Freeport status to be granted at the end of October, what is purpose of FBC to be submitted in December?

NG: This will unlock capital seed funding, will also specify costs and benefits of the freeport policy for government. FBC will confirm custom zone

■ When will benefits start accruing?

NG: In the tax zones, tax benefits will accrue from date of designation, except for NIC, these will accrue from April 2022 when the Bill is enacted by parliament.

NG: Also, on designation we will launch, website branding etc. Designation will link his will link to Dept for International Trade and their international marketing

■ to clarify, Freeport designation will be based on the answers to 7 questions?

NG: We will answer critical questions next week. Government have advised they will review them in 2 weeks, then confirm Freeport.

Then this will trigger designation of the tax sites in law. They are using a 1979 Act, so amendment of existing law is required, not a full parliamentary process).

■ will we be first to be designated?

NG: there are 4 Freeports applying. All 4 have same date: Teesside, Humber Thames & Solent are first 4; the other 4 applicants are appx 1.5

		months behind. Although Thames launched their Freeport marketing as part of International Shipping Week –this ahead of actual designation.		
9	Forward Plan	<p>All meetings scheduled, intend to continue with monthly workstream for updates</p> <p>AP there is not much in the meetings at the moment – our real work will be increasingly important when we go live with Freeport – expect more to do in 6 weeks time!</p> <p>There are other workstreams that have been drawn out of these monthly meeting – marketing and customs zones.</p> <p>Following designation, workstreams may not be as frequent. However, it is up to the board to decide</p>		
10.	Action Register	Marketing comms has some members of freeport is awaited content for all businesses. Please contact [REDACTED]		
11	Date and Time of Next Meeting	27th October 2021 1pm		