

**AGENDA ITEM 8**

**REPORT TO THE TEESSIDE FREEPORT GOVERNANCE BOARD**

**20<sup>th</sup> JANUARY 2022**

**REPORT OF THE DIRECTOR OF FREEPORT**

**FREEPORT DELIVERY PLAN UPDATE**

**SUMMARY**

The purpose of this paper is to provide an update to Teesside Freeport Governance Board on the key activity since the last meeting of 18<sup>th</sup> November 2021.

**RECOMMENDATIONS**

It is recommended that the Board notes the content of this update report.

**PROGRAMME DEVELOPMENT**

1. Teesside Freeport was confirmed as the first operational Freeport on 19<sup>th</sup> November 2021 with all 3 of the tax land locations and the primary custom zone being passed into law. Confirmation of Teesside Freeport locations can be found on the HM Government website at [Maps of Freeports, Freeport customs sites and Freeport tax sites - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/maps-of-freeports)
2. The revised Guidance for the submission of the Full Business Case was issued in December and the Freeport team have had a number of discussion with the DLUHC policy team to confirm understanding of the additional requirements and negotiate the custom zone provisions and agree the submission requirements.
3. A number of stakeholder meetings have been conducted to review their current facilities and support the customs discussions with DLUHC policy team.
4. To further promote the Brand, Website and marketing collateral, Teesside Freeport was represented at a series of presentations and conferences to the end of the year.
5. Teesside Freeport has taken a lead in engagement with both local and national policing to manage the expectations of risk and illicit activity due to the inception of the Freeport.

**KEY MILESTONES**

6. The programme delivery plan is a dynamic document being reviewed weekly following engagement with stakeholders and formally updated fortnightly.
7. The next significant milestones within the plan are:

By 31st January	By 31 <sup>st</sup> March	By 30 <sup>th</sup> June
<p>FBC prepared and submitted to DLUHC</p> <p>Centre For Frictionless Trade - Invest Team response to Cabinet Office EOI Eco-System of Trust</p>	<p>Formalise organisational structures for operation of Freeport Delivery Model and replace business case support mechanisms</p> <p>Develop 'offer ' to inward investors, include FREN innovation, skills, provide toolkit for stakeholders</p>	<p>Signpost: jobs (outreach, local people, inequalities)</p> <p>Signpost: procurement opportunities (third tier &amp; on, engagement for local businesses)</p>

8. The current plan is to complete the Full Business Case for submission by 31<sup>st</sup> January 2022. Should the FBC not be delivered on 31<sup>st</sup> January, the next submission date will be 30<sup>th</sup> April. A delivery plan is shown in **Appendix 1** to this report.
9. In parallel to the close out of the FBC submission, the operational structure of the Freeport has been prepared and recruitment will commence with a view to finalisation at the end of March.

### FINANCIAL IMPLICATIONS

10. The budget for the initial year capacity funding for the project is monitored by the Strategy and Accountability for Public Money workstream, discussed in Agenda Item 6. TVCA provides assurance and management of the funding as the accountable public body.

### LEGAL IMPLICATIONS

11. This update report has no specific legal implications.

### RISK ASSESSMENT

12. The approach to Risk has been provided under agenda item 9.

### CONSULTATION & COMMUNICATION

13. Stakeholder engagement meetings have continued during the period between meetings both on an individual and reference group basis.
14. The workstream meetings have commenced and are reported under agenda items 5, 6 and 7.
15. The MHCLG Freeport group meeting of all eight Freeports has commenced and is held every 2 weeks. A brief update on each meeting is in the process being circulated to the Board on a fortnightly basis.

16. A monthly meeting between the Freeport team and HMRC has commenced to support the development of guidance and implementation.
17. Meetings have been held with NCA, UKBF and local policing to commence security and illicit activity threat assessment in the context of Freeports.

#### **EQUALITY & DIVERSITY**

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

**Name of Contact Officer: Nolan Gray**

**Post Title: Director of Freeport**

**Telephone Number:** [REDACTED]

**Email Address:** [REDACTED]@teesvalley-ca.gov.uk

Activity ID	Activity Name	% Comp	Start	Finish	STDC Responsible Person	2021																							
						2021						2022						2022						2022					
						Dec	Jan	Feb	Mar	Apr	May	Jan	Feb	Mar	Apr	May	Jun	Jan	Feb	Mar	Apr	May	Jun	Jan	Feb	Mar	Apr	May	Jun
<b>FREEPORT</b>																													
<b>Government Process</b>																													
<b>Guidance</b>																													
FP-1000	Clarification from MHCLG on process and support available.	100%	06-Mar-21 A	21-May-21 A	MHCLG																								
FP-1005	Setup shared workspace for project team external and internal team members	100%	02-Apr-21 A	02-Apr-21 A																									
FP-1010	Clarify central government support available	100%	19-Apr-21 A	13-Aug-21 A	MHCLG																								
FP-1015	Agree and Access Direct Consultancy Support	100%	07-Jun-21 A	30-Jul-21 A	NG																								
FP-1020	HMRC Customs guidance	80%	10-May-21 A	14-Jan-22	HMRC																								
FP-1025	HMRC Tax guidance	100%	10-May-21 A	01-Oct-21 A	HMRC																								
FP-1030	Border Force, National Crime Agency & Harbour Police	50%	19-Jul-21 A	14-Jan-22	BF																								
FP-2100	HMRC provide confirmation of Primary Custom Zone - Phase 1 enabler (3 acres)	100%	12-Jul-21 A	13-Aug-21 A																									
<b>Approval</b>																													
FP-1035	HMT Administrative Funding agreement	100%	07-Jun-21 A	02-Jul-21 A																									
FP-1045	Governance Seed Capital Funding Received	0%		31-Mar-22*	MHCLG																								
FP-1050	Business Rates Retention Scheme Agreed	100%		30-Jul-21 A	MHCLG																								
FP-1410	Freeport Status Confirmed	100%		19-Nov-21 A																									
<b>Submission</b>																													
FP-1055	Submission of an updated and comprehensive project Risk and Issues Register for the delivery of your proposed Freeport.	100%	01-Apr-21 A	30-Apr-21 A																									
FP-1060	Agree amount of seed capital to be requested from Government (OBC)	100%	03-May-21 A	14-May-21 A																									
FP-1065	Submission of updated Implementation Plan, indicative timelines & gaps identified in the Risk/Delivery Plan Feedback.	100%		07-May-21 A																									
FP-1070	Confirmation of intended customs software plans for procuring it.	100%	19-Jul-21 A	05-Jan-22 A	NG																								
FP-1075	Governance plans confirmed initial revenue funding released.	100%		17-May-21 A																									
FP-1080	Tax sites to be confirmed (OBC)	100%	01-Mar-21 A	23-Jul-21 A	NG																								
FP-1085	Customs sites confirmed (FBC)	50%	01-Mar-21 A	31-Mar-22	NG																								
FP-1090	TVCA to submit OBC	100%	19-Apr-21 A	23-Jul-21 A																									
FP-1095	TVCA to submit FBC	60%	19-Apr-21 A	31-Jan-22																									
<b>Operational</b>																													
FP-1100	Formalise Freeport team and roles and responsibilities for actions.	100%	01-Apr-21 A	23-Jul-21 A	NG																								
FP-1110	Shadow Freeport Governance Body and workstreams approach agreed	100%	01-Apr-21 A	14-May-21 A	NG																								
FP-2090	Completion of RDEL form to release ?300K funding	100%		04-Jun-21 A																									
<b>Governance</b>																													
<b>Status Reporting</b>																													
FP-2770	November Return	100%	22-Nov-21 A	26-Nov-21 A	NG																								
FP-2780	December Return	100%	03-Jan-22 A	10-Jan-22 A	NG																								
FP-2790	January Return	0%	10-Jan-22*	14-Jan-22	NG																								
FP-2800	February Return	0%	07-Feb-22*	14-Feb-22	NG																								
FP-2810	March Return	0%	07-Mar-22*	14-Mar-22	NG																								
FP-2820	April Return	0%	11-Apr-22*	18-Apr-22	NG																								
FP-2830	May Return	0%	09-May-22*	16-May-22	NG																								
FP-2840	June Return	0%	06-Jun-22*	13-Jun-22	NG																								
FP-2850	July Return	0%	11-Jul-22*	18-Jul-22	NG																								
<b>Operational</b>																													
FP-1115	Establish arrangements for workstreams inc. TOR, Agendas, Work Packages	100%	29-Mar-21 A	16-Apr-21 A																									
FP-1415	Inaugural Freeport Board Meeting	100%		20-May-21 A	NG																								
FP-1435	Freeport Board Meeting	100%		24-Jun-21 A	NG																								
FP-1445	Freeport Board Meeting (OBC to this meeting)	100%		22-Jul-21 A	NG																								
FP-1455	Freeport Board Meeting	100%		19-Aug-21 A	NG																								
FP-1495	Address Feedback Received From Governance Sign Off By SOS	100%		05-Jul-21 A	NG																								
FP-1530	Freeport Board Meeting - Meeting Cancelled Due To Delayed FBC Submission Date	100%		16-Sep-21 A	NG																								
FP-1540	Freeport Board Meeting	100%		21-Oct-21 A	NG																								
FP-1550	Freeport Board Meeting	100%		12-Nov-21 A	NG																								
FP-1560	Freeport Board Meeting - Meeting Cancelled. Next Meeting inline With FBC Deadline	100%		16-Dec-21 A	NG																								
FP-2860	Freeport Board Meeting	0%		20-Jan-22*	NG																								
FP-2870	Freeport Board Meeting	0%		17-Mar-22*	NG																								
FP-2880	Freeport Board Meeting	0%		19-May-22*	NG																								
FP-2890	Freeport Board Meeting	0%		21-Jul-22*	NG																								

█ Remaining Level of Effort   
 █ Actual Work   
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Activity ID	Activity Name	% Comp	Start	Finish	STDC Responsible Person	2022																							
						2021			January			February			March			April			May			June					
						Dec 20	Jan 21	Feb 21	Jan 22	Feb 22	Mar 22	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23
FP-2400	Redraft Strategic Case to address all lines of guidance and feedback.	80%	01-Nov-21 A	21-Jan-22																									
FP-2760	NetZero Strategy Workshop TVCA & WSP	100%	15-Nov-21 A	18-Nov-21 A																									
<b>Economic Case For FBC</b>						12-Jul-21 A						14-Jan-22																	
FP-1430	Prepare Final Economic Case	95%	12-Jul-21 A	14-Jan-22	NG																								
FP-2370	Integrate Critical Action 1 Response	100%	18-Oct-21 A	29-Oct-21 A																									
FP-2410	Respond to OBC Feedback	30%	03-Jan-22 A	14-Jan-22	NG																								
FP-2420	Redraft Economic Case to address all lines of guidance and feedback	85%	03-Jan-22 A	14-Jan-22																									
<b>Management Case For FBC</b>						07-Jun-21 A						14-Jan-22																	
FP-1210	Operational Connectivity - Scoping of IT and site physical control requirements	30%	07-Jun-21 A	14-Jan-22	NG																								
FP-1440	Prepare Final Management Case	50%	12-Jul-21 A	14-Jan-22	NG																								
FP-2240	Undertake management case workshop to consider programme and project management	100%	03-Jan-22 A	07-Jan-22 A	SWMKR																								
FP-2630	Integrate Critical Action 6	100%	18-Oct-21 A	29-Oct-21 A																									
FP-2640	Integrate Critical Action 7	100%	18-Oct-21 A	29-Oct-21 A																									
FP-2650	Integrate Critical Action 8	100%	18-Oct-21 A	29-Oct-21 A																									
FP-2660	Respond to OBC Feedback	60%	03-Jan-22 A	14-Jan-22																									
FP-2670	Set out and confirm final governance arrangements	100%	06-Dec-21 A	10-Jan-22 A	NG																								
FP-2680	Set out and confirm freeport executive and delivery team, incl roles and responsibilities	60%	06-Dec-21 A	14-Jan-22	NG																								
FP-2690	Demonstrate adequate structures governance and processes are in place to manage security and illicit activity risks	50%	03-Jan-22 A	14-Jan-22	NG																								
FP-2700	Set out responsibility and reporting requirements whilst await DLUHC requirements for M&E	0%	10-Jan-22	14-Jan-22	NG																								
FP-2710	Redraft Management Case to address all lines of guidance and feedback.	70%	06-Dec-21 A	14-Jan-22																									
FP-2720	Stakeholder Engagement Plan post designation	50%	03-Jan-22 A	14-Jan-22																									
FP-2730	Marketing Approach post launch	50%	03-Jan-22 A	14-Jan-22																									
FP-2740	Business Investment Approach / Investment Strategy / Annex K	40%	03-Jan-22 A	14-Jan-22	NG																								
<b>Commercial Case For FBC</b>						01-Mar-21 A						14-Jan-22																	
FP-1220	Investment and Commercial agreements	100%	07-Jun-21 A	07-Jan-22 A	NG																								
FP-1230	Discuss and decide how the Tees Valley offer is marketed to all pipeline investors	100%	07-Jun-21 A	10-Jan-22 A	NG																								
FP-1235	PCZ Planning & Site Security	100%	10-Mar-21 A	12-Nov-21 A																									
FP-1240	Consideration of Port Operator Options	100%	01-Mar-21 A	08-Sep-21 A	NG																								
FP-1245	As FP1070: Customs Operations (Automation/Inventory Linking Systems and Security)	50%	07-Jun-21 A	14-Jan-22	NG																								
FP-1450	Prepare Final Commercial Case	80%	12-Jul-21 A	14-Jan-22	NG																								
FP-1535	Integrate Critical Action 6	100%	01-Nov-21 A	12-Nov-21 A																									
FP-1545	Integrate Critical Action 7	100%	01-Nov-21 A	12-Nov-21 A																									
FP-1555	Integrate Critical Action 8	100%	01-Nov-21 A	12-Nov-21 A																									
FP-1565	Respond to OBC Feedback	50%	03-Jan-22 A	14-Jan-22																									
FP-2600	Procurement Strategy	100%	03-Jan-22 A	07-Jan-22 A	PJ																								
FP-2610	Subsidy Control	0%	10-Jan-22	14-Jan-22	PJ																								
FP-2620	Redraft Commercial Case to address all lines of guidance and feedback.	60%	06-Dec-21 A	14-Jan-22																									
<b>Financial Case For FBC</b>						07-Jun-21 A						14-Jan-22																	
FP-1265	Practical Delivery On Sites - Primary & Finance Model	50%	07-Jun-21 A	14-Jan-22	TBC																								
FP-1290	Phases of delivery	30%	07-Jun-21 A	14-Jan-22	TBC																								
FP-1460	Prepare Final Financial Case	60%	12-Jul-21 A	14-Jan-22	TBC																								
FP-1585	Integrate Critical Action 4	100%	01-Nov-21 A	12-Nov-21 A																									
FP-1595	Integrate Critical Action 5	100%	01-Nov-21 A	12-Nov-21 A																									
FP-1605	Respond to OBC Feedback	50%	03-Jan-22 A	14-Jan-22																									
FP-1615	Re-model financials re seed funding, retained rates and proposed expenditures	60%	03-Jan-22 A	14-Jan-22	TBC																								
FP-1625	Redraft Financial Case to address all lines of guidance and feedback.	60%	06-Dec-21 A	14-Jan-22																									
FP-1635	Source Annex F: Letter from RCB on use of retained business rates	0%	10-Jan-22	14-Jan-22																									
<b>Delivery</b>						07-Jun-21 A						30-Jun-22																	
<b>Formalise Organisational Structures</b>						10-Jan-22						31-Mar-22																	
FP-1380	Build capacity: Define role & Recruit Freeport Manager	0%	10-Jan-22	31-Mar-22																									
FP-3010	Build capacity in Inward Investment Team 2x FTE - Define roles & Recruit	0%	10-Jan-22	28-Feb-22																									
<b>Mobilise Teams On A Formal Basis. Define Roles, Reporting Requirements &amp; Dotted Line Responsibility</b>						10-Jan-22						31-Mar-22																	
FP-3020	Inward investment	0%	10-Jan-22	31-Mar-22																									
FP-3030	Risk	0%	10-Jan-22	31-Mar-22																									
FP-3040	Governance	0%	10-Jan-22	31-Mar-22																									
FP-3050	Thematic	0%	10-Jan-22	31-Mar-22																									
FP-3060	Customs (Potential Change Of Provider)	0%	10-Jan-22	31-Mar-22																									

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Activity ID	Activity Name	% Comp	Start	Finish	STDC Responsible Person	2022																							
						December			January			February			March			April			May			June					
						20	27	03	10	17	24	31	07	14	21	28	07	14	21	28	04	11	18	25	02	09	16	23	30
FP-2140	Delivery of a NetZero power plant by 2026	40%	09-Aug-21 A	07-Jan-27	█	[Gantt chart bars for FP-2140]																							
<b>Social Impact &amp; Value</b>						[Gantt chart bars for Social Impact & Value]																							
FP-1400	Equality and Diversity Policy	100%	10-May-21 A	21-May-21 A	NG	[Gantt chart bars for FP-1400]																							
FP-1405	Procurement Policy	100%	07-Jun-21 A	07-Jan-22 A	NG	[Gantt chart bars for FP-1405]																							

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