

REPORT TO TEESSIDE FREEPORT GOVERNANCE BOARD**8th JUNE 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.

Tax Site Development**Teesworks East**

1. **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.
2. **PMAC - *Planning Granted***. Circa £300m investment delivering 100 direct jobs and occupying a 25-acre site with 550k sqft of facilities. The Redcar Energy Centre aims to divert between 350,000 and 450,000 tonnes per annum of refuse away from UK landfill. It will generate 37MW of low-carbon electricity for the local grid, enough to power over 100,000 homes.

Teesworks West

3. **SeAH Wind – *Construction in progress***. Circa £450m investment delivering 750 direct jobs and occupying a 107-acre site with 1.013m sqft of facilities. 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. **Circular Fuels – *Outline Planning Granted***. Circa £150m investment delivering 50 direct jobs and occupying a 14-acre site with 300k sqft of facilities. Circular fuels is a pioneering residual waste to renewable gas facility.

Wilton International

5. **Renew ELP - Construction in progress.** Investment undisclosed, delivering y direct jobs and occupying a 3-acre site with 31k sqft of facilities. ReNew ELP is Mura's flagship - the world's first HydroPRS™ site and the facility is on track to be operational in 2023. A video of construction can be viewed at [ReNew ELP - Mura Technology](#)
6. **Nova Pangea – Planning Granted.** Investment undisclosed, delivering 45 direct jobs and occupying a 5-acre site with 54k sqft of facilities. Have announced the signing of an Exclusivity Agreement and Heads of Terms for a plot at Wilton International. This will be home to Nova Pangaea'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.
7. **Sembcorp Battery Storage - Planning Granted.** Investment undisclosed delivering strategic balancing to Grid and occupying a 26-acre site. 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
8. **Tees Valley Lithium – Planning Granted.** Circa £250m investment delivering 1,000 direct jobs and occupying a 21-acre site with 62k sqft of facilities. Site has been selected, TVL has received full planning permission to build the UK's first – and Europe's largest – Lithium Hydroxide refinery.
9. **Peak Rare Earth – Planning Granted.** Circa £150m investment delivering 100 direct jobs and occupying a 50-acre site. Peak expected to complete FEED studies and FID on Tanzania mine in September 2023 which will precipitate complimentary investment on Teesside.

Custom Zone Development

10. A meeting was held with HMRC / HMT on 5th April to review the proposal submitted by Teesside Freeport to look at 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. Whilst the discussion with HMRC / HMT is ongoing, the departments have recognised the need to establish a policy forum with the Freeports and have set up a Customs Policy Group, the first meeting was held on 9th May and the TOR are provided as **Appendix 1**.
12. 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.

13. 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 being held back currently.

Centre for Digital Trade & Innovation

14. 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.
15. A brief synopsis of the work of the Centre is provided as **Appendix 2**

KEY MILESTONES

16. The next significant milestones are:

By 30 th June	By 30 th September	By 31 st December
<p>Embed freeport transitional support roles following TVCA re-organisation.</p> <p>Progress the custom zone proposal with HMRC</p> <p>Establish the project team to develop the 5G digital testbed</p>	<p>Progress Digital Test Bed proposal for Board review.</p> <p>Complete annual review for M&E reporting</p> <p>South Bank Quay completion</p>	<p>Establish business rates income from first occupation (expected to be Renew ELP)</p> <p>Prepare drawdown of capital funding for digital test bed</p>

FINANCIAL IMPLICATIONS

17. 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

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

RISK ASSESSMENT

19. The approach to Risk is provided under a separate agenda item.

CONSULTATION & COMMUNICATION

20. Stakeholder engagement meetings have continued during the period between meetings both on an individual and reference group basis.

21. The workstream meetings have commenced and are reported under separate agenda items.

22. 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.

23. Monthly meetings between the Freeport team and HMRC has commenced to support the development of guidance and implementation.

EQUALITY & DIVERSITY

24. 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