

**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. All demolition works are complete.
2. Remediation works are ongoing adjacent to Steel House, on the site of the proposed Teesworks Park and Ride facility, amounting to 18 acres of the 35-acre site. This will provide parking for more than 1,500 vehicles and a hub for shuttlebuses from the car park to projects on Teesworks.
3. Remediation to the proposed 140-acre site on the Foundry for BP's green and blue hydrogen projects, HyGreen Teesside and H2Teesside, will commence in Q1 2024. HyGreen will produce 60Mwe of green hydrogen by 2025; together with H2Teesside, has the potential to delivery 30% of the UK's 2030 hydrogen production.
4. Tenant interest is strong, the BP project is partly Foundry area of the tax site; 80 acres are vacant, 50 are progressing with interest from several parties. 30 acres have remediation issues yet to be resolved.

**Teesworks West**

5. All demolition works have been completed in the areas known as South Bank, Dorman Point and Lackenby.
6. Of this 546 acre (200 hectare) site c 200 acres have been remediated and readied for development. SeAH has taken a lease on c100 acres. A further 60 acres of land are presently the subject of ongoing remediation works.

7. The South Bank area has serious tenant interest in 225 of the remaining acres; Dorman Point has interest progressing over 60 acres (only 15 acres vacant); Lackenby has c 30 acres available, c 33 acres progressing through the legal process.
8. SeAH Wind – Construction in progress, accelerating towards the end of this calendar year, and into the early part of 2024, ready for production commencing in mid-2024.

### **Wilton International**

9. Renew ELP – The plant is in the commissioning phase, recruitment of c30 staff has been reported. This will be the first facility to generate additional business rates income for the reinvestment in Freeport objectives.
10. Planning permission granted for Sembcorp Battery Storage - Battery storage expected to be operational by 2023; planning Granted for Tees Valley Lithium, Peak Rare Earth, Nova Pangaea (two sites) and an outline planning application for a Data Centre on the ex Croda site.

### **Custom Zone Development**

11. The HMRC-led all-Freeport Customs Policy Group meets quarterly to bring forward ideas to innovate processes, as Freeports are seen as the secure environment for testing new methods due to their customs sites meeting superior AEO status.
12. There is an appetite for adapting precedents, such as are used elsewhere, into Freeports. This appetite supports collaboration with the testing of digital alternatives to current processes, and these are being developed with Teesside University, the Freeport Hub and HMRC for testing at the Teesside Freeport Digital Test Bed
13. 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.
14. 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.

## KEY MILESTONES

15. The next significant milestones are:

<b>By 31<sup>st</sup> December</b>	<b>By 31<sup>st</sup> March</b>	<b>By 30<sup>th</sup> June</b>
<p>South Bank Quay completes.</p> <p>Embed Freeport Manager within cross TVCA matrix Freeport Delivery team.</p> <p>Freeport Seed Funded project reviewed and signed off by Freeport Board</p> <p>Define the custom zone digital alternative tests with HMRC</p>	<p>Digital Test Bed physical build in progress</p> <p>Prepare first tranche drawdown of seed capital funding for the digital test bed</p> <p>Develop investment proposals for additional retained business rates income</p>	<p>South Bank Quay Workshop and offices complete</p> <p>Digital Test Bed facility operational</p> <p>Freeport Digital Tests commissioned</p>

## FINANCIAL IMPLICATIONS

16. 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

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

## RISK ASSESSMENT

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

## CONSULTATION & COMMUNICATION

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

20. The workstream meetings will re-commence following this board meeting.

21. The Business Solutions Director attends the DHLUC Freeport SRO Group meeting of all Freeports on behalf of TVCA.

**EQUALITY & DIVERSITY**

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

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