

**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**

HM Government announced on 21<sup>st</sup> November that tax incentives for Freeports has been extended for a further 5 years until September 2031. This extension will provide long-term support to businesses looking to invest, delivering growth and jobs, and levelling up the country.

**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. British Steel have a commercial agreement with SeAH Wind to supply steel to the manufacturing plant at South Bank.

**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 which is aiming for decision by the end of this year. There are 75 acres with an agreed option in place with a project expected to start in 2025. The South Bank Quay office has had planning granted and is aiming to be operation June 2024. Circular Fuels Ltd have signed an agreement to deliver sustainable liquid petroleum gas from waste this is situated in circa 25 acres at Dorman Point. Willis have submitted planning permission for 30 acres at Dorman Point. There are c25 acres available on Dorman Point.
8. Teesworks are planning to build 43 modern business units at South Bank on Teesworks, creating almost 100,000sq ft of industrial, commercial and office space for our local Teesside businesses and supply chain.
9. Lackenby has c 30 acres available, c 33 acres progressing through the legal process.
10. 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**

11. 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.
12. 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**

13. 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.

14. 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.
15. The business case for the seed funding digital test bed is a separate item.
16. 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.
17. The Freeport manager is meeting with partners regarding the development of custom zones within their locations.

## KEY MILESTONES

18. The next significant milestones are:

<b>By 31<sup>st</sup> March</b>	<b>By 31<sup>st</sup> June</b>	<b>By 30<sup>th</sup> September</b>
<p>Freeport Manager to have met all stakeholders and work across TVCA matrix Freeport Delivery team.</p> <p>Define the custom zone digital alternative tests with HMRC.</p> <p>Prepare first tranche drawdown of seed capital funding for the digital test bed.</p>	<p>Digital Test Bed physical build in progress.</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

19. 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**

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

**RISK ASSESSMENT**

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

**CONSULTATION & COMMUNICATION**

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

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

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

**EQUALITY & DIVERSITY**

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

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