

TEESSIDE FREEPORT

RETAINED BUSINESS RATES STRATEGY

English Freeport Objective	<i>Promote Regeneration and Job Creation</i>
Part 1 - Objectives	
Objectives and rationale	
<ul style="list-style-type: none">• Through the creation of high-skilled jobs in ports linked to the areas around them, this freeport objective ensures sustainable economic growth and regeneration for Tees Valley communities that need it most. Local economies will grow as tax measures drive private investment, carefully considered planning reforms facilitate construction and infrastructure is upgraded.• Retained business rates (RBR) are the appropriate lever for delivering this objective because locally controlled funding can be used to address gaps in other publicly funded activity, to really respond to local needs. The funding can be used for regeneration in the local economy, providing improvements to place, support people's skills requirements to access new jobs, thus contributing to Levelling Up	
Geographical focus and likely beneficiary groups	
<ul style="list-style-type: none">• The additional funds generated will be retained by Redcar & Cleveland Borough Council and projects will be developed to invest for the direct benefit the residents of the Borough, who have suffered socially and economically since the demise of the steel works.• Growth in one borough will have beneficial indirect effect to the rest of Tees Valley and the northern region.	
An indicative share of the total retained business rates fund	
<ul style="list-style-type: none">• 50% is an estimated indicative percentage• This is aligned with recent work carried out by TVCA to assess the relative investments required in local priorities. This has reviewed available funding streams that are used in the Tees Valley and carried out a gap analysis of where other funding is required to meet the evidenced needs of the region. Projects funded by RBR will not be able to fully fund the required investment from another source.• This percentage may change over time should other funding streams be available, or should investment not be required under this theme, the funds can be reallocated where there is greater need.	
Types of intervention likely to be funded, including any that have already been identified and any under consideration	
Indicative projects that could be funded under this objective include: <ul style="list-style-type: none">• Delivery of Employment Hub & Training of Local Residents• Supporting Business Start Up• STEM Awareness Activities in Schools• Delivery of New Homes• Complementary Place Regeneration Projects	
Expected benefits, including where possible outputs and outcomes.	
Logic Model Outputs <ul style="list-style-type: none">• Delivery of Employment Hub & Training of Local Residents	

- Supporting Business Start Up
- STEM Awareness Activities in Schools
- Delivery of New Homes
- Complementary Place Regeneration Projects

See the summary logic model below for combined outcomes

Outputs and outcomes will contribute to the Impact stated in the All lever Freeport logic model: Regeneration and Levelling Up: At Full Freeport Capacity:

- 41,780 Net Direct Jobs and 13300 Indirect / Induced Jobs;
- £3.2 bn of Additional regional GVA
- 75% Reduction of Tees Valley Output Gap v Rest of UK

English Freeport Objective

National Hub for Global Trade and Investment

Part 1 - Objectives

Objectives and rationale

- Teesside Freeport will be a national hub for global trade and investment in three key sectors: Clean Energy including Offshore Wind; Chemicals and Materials Processing; and Bio Life Sciences.
- TVCA is delivering a diverse number of investment projects across the region which contribute to creating the conditions to attract inward investment and foster global trade.
- Aligned with the Hotbed of Innovation objective below, Teesside Freeport will work with partners to make trade processes more efficient, maximise developments in production and acquire specialist expertise to secure Freeports position within supply chains.
- Maximising benefit locally from the Net Zero Cluster requires engagement and development of the local supply chains, and the people from the area being able to access the jobs created from growth.
- Retained business rates (RBR) are the appropriate lever for delivering this objective because locally controlled funding can be used to address gaps in other publicly funded activity, to really respond to local needs. The funding can be used for stimulating the market, create new businesses and adapt existing local businesses, to take advantage of the opportunities in exporting and supply chains, thus reducing leakage from the investment and contributing to Levelling Up

Geographical focus and likely beneficiary groups

- The additional funds generated will be retained by Redcar & Cleveland Borough Council and projects will be developed to invest for the direct benefit the residents of the Borough, who have suffered economically since the demise of the steel works.
- Growth in one borough will have beneficial indirect effect to the rest of Tees Valley and the northern region

An indicative share of the total retained business rates fund

- 20% is an estimated indicative percentage
- This is aligned with recent work carried out by TVCA to assess the relative investments required in local priorities. This has reviewed available funding streams that are used in the Tees Valley and carried out a gap analysis of where

other funding is required to meet the evidenced needs of the region. Projects funded by RBR will not be able to fully fund the required investment from another source.

- This percentage may change over time should other funding streams be available, or should investment not be required under this theme, the funds can be reallocated where there is greater need.

Types of intervention likely to be funded, including any that have already been identified and any under consideration

Indicative projects that could be funded under this objective include:

- Business Engagement - Explore innovation opportunities and ensure proactive engagement with landowners, existing businesses and future inward investors takes place.
- Delivering Enabling Infrastructure inc. Business Accommodation by closing the viability gap through joint investments
- Improving Connectivity inc. Rail, Road & Active Travel

Expected benefits, including where possible outputs and outcomes.

Logic Model Outputs

- No. of hectares of Land Unlocked for Development
- No. of Inward Investments Supported
- Sqm of Commercial Floorspace
- Amount of £ Leveraged from Other Sources

See the summary logic model below for combined outcomes

Outputs and outcomes will contribute to the Impact stated in the All lever Freeport logic model: Establishing National Hubs for Global Trade and Investment: At Full Freeport Capacity

- 30% increase in Regional Complexity Scores by 2030

English Freeport Objective

Create a Hotbed of Innovation

Part 1 - Objectives

Objectives and rationale

- Teesside Freeport will create hotbeds for innovation by focusing on private and public sector investment in research and development to create a Net Zero Cluster; by creating the infrastructure and dynamic environment that brings innovators together to collaborate in new ways; and by offering spaces to develop and trial new ideas and technologies. This will create new markets for UK products and services and drive productivity improvements, bringing jobs and investment to Tees Valley
- Tees valley is ambitious and aims to be the UK's first truly Smart Region - using world-leading digital infrastructure and innovation to create opportunities for all residents and businesses. Tees Valley also aims to be recognised as the go to place for innovation, welcoming opportunities for piloting new applications of technology.
- Retained business rates (RBR) are the appropriate lever for delivering this objective because locally controlled funding can be used to address gaps in other publicly funded activity, to really respond to local needs to achieve these ambitions. The funding can be used for to provide the infrastructure required to underpin innovative practices in the key sectors, provide appropriate quality

spaces to run pilots, and fund coordination activities not provided elsewhere. This will support productivity improvements and contribute to Levelling Up

Geographical focus and likely beneficiary groups

- Due to the ambitious nature stated above, the innovators attracted as a result of the clustering effect of key sectors, will be from across the UK. Although the investment will take place within the Borough to gap fund innovation, benefits have the potential to reach much further afield.

An indicative share of the total retained business rates fund

- 30% is an estimated indicative percentage
- This is aligned with recent work carried out by TVCA to assess the relative investments required in local priorities. This has reviewed available funding streams that are used in the Tees Valley and carried out a gap analysis of where other funding is required to meet the evidenced needs of the region. Projects funded by RBR will not be able to fully fund the required investment from another source.
- This percentage may change over time should other funding streams be available, or should investment not be required under this theme, the funds can be reallocated where there is greater need.

Types of intervention likely to be funded, including any that have already been identified and any under consideration

Indicative projects that could be funded under this objective

- Supply Chain Development
- Net Zero Transition Support
- Climate Change Mitigation Projects

Expected benefits, including where possible outputs and outcomes.

Logic Model Outputs


- No. of Businesses Supported with Net Zero Transition
- No. of Businesses Supported with Supply Chain Opportunities and Growth
- No. of EV Charging Points

See the summary logic model below for combined outcomes

Outputs and outcomes will contribute to the Impact stated in the All lever Freeport logic model: Creating Hot Beds of Innovation: At Full Freeport Capacity

- 20% increase in Business Green Energy Intensity by 2030
- 20% increase in Business Research Intensity by 2030

Wilton Tax Site: Investment Strategy Based on WSP 25 Year Projections

Inputs (Monitor)	Activities (Monitor)	Outputs (Monitor)	Outcomes (Monitor & Evaluate)	Impact (Evaluation)
<p>Tax Site Additional Business Rates 50% RCBC Retained Income £128.5m</p>	<p>Meeting Increased Demand for Council Services including:</p> <ul style="list-style-type: none"> • Planning • Environmental • Community • Education & Skills • Maintaining Infrastructure 	<p>No. of Planning Applications Concluded in Statutory Timescale [RCBC TO ADD]</p>	<p>[RCBC TO ADD]</p>	<p>GVA Jobs</p> <p></p>
<p>Tax Site Additional Business Rates 50% Freeport Investment £128.5m</p>	<p>Promote Regeneration and Job Creation</p> <ul style="list-style-type: none"> • Delivery of Employment Hub & Training of Local Residents • Supporting Business Start Up • STEM Awareness Activities in Schools • Delivery of New Homes • Complementary Place Regeneration Projects 	<ul style="list-style-type: none"> • No. of Local Residents Completing Training • No. of New Start Ups • No. of Students Participating in STEM Awareness Sessions • No. of New Homes (% affordable) • Improved assets in priority areas for economic growth inc. tourism, recreation, leisure, infrastructure & public realm. 	<ul style="list-style-type: none"> • Increase in Employment Rate (% Freeport & Supply Chain) • Reduction in Carbon Emissions • Improved Access to Low Carbon Options for Communities & Industry • Increase the use of Renewable Energy • Improved Access to Freeport & Employment Opportunities • Improved Well Being and Pride of Place • Improved Housing Offer and Increased Income for RCBC • Improved Leisure & Tourism Offer resulting in Increased Number of Visitors and Spend • Increased Awareness of Key Sector Employment & Careers Opportunities • Increase in Private Sector Investment • Growth of Start Ups (Integration with Freeport) • Increase in Land Value & Demand <p><i>*Green Book Business Cases will be required to determine the value for money and additionality from BR investments. These will be developed proportionately depending on the level of investment. These will be subject to appraisal.</i></p>	
	<p>National Hub for Global Trade and Investment</p> <ul style="list-style-type: none"> • Business Engagement - Explore innovation opportunities and ensure proactive engagement with landowners, existing businesses and future inward investors takes place. • Delivering Enabling Infrastructure inc. Business Accommodation by closing the viability gap through joint investments • Improving Connectivity inc. Rail, Road & Active Travel 	<ul style="list-style-type: none"> • Ha of Land Unlocked for Development • No. of Inward Investments Supported • Sqm of Commercial Floorspace • Amount of £ Leveraged from Other Sources 		
	<p>Create a Hotbed of Innovation</p> <ul style="list-style-type: none"> • Supply Chain Development • Net Zero Transition Support • Climate Change Mitigation Projects 	<ul style="list-style-type: none"> • No. of Businesses Supported with Net Zero Transition • No. of Businesses Supported with Supply Chain Opportunities and Growth • No. of EV Charging Points 		

Strategic Project Development: Green Book Business Cases*

Part 2 - The decision-making mechanism

Collating ideas

Tees Valley Combined Authority (TVCA) is the accountable body for Freeport funding. Redcar & Cleveland Borough Council (RCBC), the billing authority, is a member of TVCA.

The Leader of RCBC is the Chair of the Freeport governance workstream for Strategy and Accountability for Public Finance.

TVCA and RCBC have a history of working collaboratively to fund and deliver projects in the borough since the inception of the CA. There are connections between officers and management at both councils, a range of thematic groups connecting organisations which meet as a minimum, quarterly

TVCA has extensive data on the economic needs of the region, and RCBC knows the issues prevalent in their area. The organisations will continue to work together, with Freeport and relevant partners, to identify and develop projects. Ideas from any source can be routed through Freeport for collation, development will be supported by TVCA if required, and funding provided by RCBC retained business rates mechanism.

Proposing Ideas

Projects will follow the established HM Treasury Green Book processes used by the public sector to develop programmes and projects.

The stages of programme and project development follow those set out in the Better Business Cases manual; decision making will involve the public processes operated by RCBC in conjunction with ratification of strategic fit from the Freeport Board.

Funding projects

The Freeport and TVCA team will work with RCBC to align their local authority policies and procedures with Freeport Governance processes; carry out a capacity audit, to determine the organisation best placed to lead the generation, development and delivery, management and funding of investment ideas.

The decision-making process a project will follow is summarised below:

