

CABINET

24 MAY 2024

JOINT REPORT OF THE LEADER OF THE COUNCIL AND THE PORTFOLIO HOLDER FOR ECONOMIC GROWTH, REGENERATION & TOURISM

A.1 Freeport East Progress and Business Plan

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

This report is to update Cabinet on progress with the Freeport East Programme, and to recommend the approval of the Freeport East Ltd annual business plan for 24/25 and the Retained Business Rates Strategy.

The Council is one of the Founding Members of Freeport East Ltd, the company established to deliver the Freeport, including the collection and spending of Retained Business Rates.

The Portfolio Holder for Economic Growth, Regeneration & Tourism was appointed as a company director for Freeport East Ltd. The annual business plan has been approved by the company directors at the last board meeting (March 2024), along with the Retained Business Rates Strategy, but still requires Founding Member approval as set out in the Members Agreement. If approved by the Founding Members it will become the Business Plan for the Company.

The report also outlines the proposal for appointing an Alternate Director of the Company in accordance with the Articles of Association.

EXECUTIVE SUMMARY

- Freeport East, is a government backed hub for investment, trade and innovation. It is central to the government's agenda for driving clean growth, promoting regeneration and job creation to level up communities. Freeport East includes the Port of Felixstowe and Harwich International Port, and the Gateway 14 site in Stowmarket, Suffolk. It comprises 275 hectares of space and facilities across three sites eligible for tax relief ("Tax Sites") at Felixstowe dock, Bathside Bay in Harwich, and Gateway 14 in Stowmarket.
- Freeport East Ltd was incorporated as a Company Limited by Guarantee in December 2022. It was established by a range of local public and private partners (including Tendring District Council) to act as the main counterpart to Government for delivery of the freeport policy for Freeport East
- Cabinet previously approved the appointment of Cllr Henderson as a Freeport East Company Director, but to date has not appointed an Alternate Director. The Company's Articles of Association states that any public sector director of the company can appoint an alternate who is an officer or employee, or an elected member. Any appointment or removal of an Alternate must be effected by notice in writing to the Company signed by

the Appointor. The Board are responsible for registering any alternates at Companies House.

- It is proposed that the Alternate Director is Lee Heley, Corporate Director Place and Economy. If agreed this will be submitted in writing by Cllr Henderson to the Company in May 2024.

Business Plan

- Freeport East Ltd has produced a draft annual Business Plan. The Business Plan sets out the key priorities for the year (developing a high performing organisation; delivering an ambitious vision for Freeport East; delivering investment; and making the most of its visibility and voice), and how they will deliver them, including the types of activities they will pursue, and the resources needed to deliver these. It also sets out a high-level summary of key achievements for 2023/24, its first year of operation. The Business Plan is supported by a range of more detailed operational documents.
- The Business Plan needs to be approved by the Founding Members as set out in the Members Agreement. Once the Business Plan is approved, Freeport East intend to publish the final version on their website as an important means to convey to the wider public the scope of what they are delivering.
- As well as setting the direction for the organisation, the Business Plan also creates a framework for expenditure that can be followed internally. Freeport East Ltd costs in the region of £1.25m per year, funded originally through government grant but now through the business rate income as set out in the Retained Business Rates Strategy (see below).
- It should be noted that the £1.25m includes a slight increase in head count for the central Freeport East team. The increase has been requested by central government, who want all the Freeports to be able to demonstrate their capacity to deliver against government objectives, and it was one of the conditions attached to the announcement in the Autumn Statement that extended the tax reliefs from five to 10 years. (The other conditions include evidence of progress on the tax sites.)

Retained Business Rates Strategy (Local Growth and Investment Strategy)

- In addition to the Business Plan, Freeport East, in consultation with partners, has developed a 'Retained Business Rates Strategy' (Annex 2) that sets out how Freeport East will pool, allocate, spend and monitor the retained business rate income that is collected on the freeport tax sites over the next 25 years. (This includes the company's operational costs.) It is proposed to be renamed the Freeport East Local Growth and Investment Strategy in order to give it more relevance to a public audience.
- The Strategy was approved by the Board in March 2024, subject to an amendment on page 20, which will include additional wording: *Reflecting this principle in the case of Bathside Bay specifically, and to fully reflect the intent of decisions made by Tendring District Council in relation to business rates usage and to achieve the site developments envisaged in the Full Business Case, 70% of the total retained business rates from the Harwich tax site are planned to be allocated to support the development of the Harwich tax site to achieve the outcomes of the Green Energy Hub.*

- As a result, the Freeport East's 'Business Rates Strategy' will align with the Council's final' Freeport East Policy for Managing Retained Business Rates', approved by Cabinet in January 2023.
- The Strategy is intended to be a single point of reference and a decision-making framework for the Freeport East Board on all retained rates matters going forward. It also guides Tendring District Council and the other Billing Authorities in terms of how business rates they collect (directly from the tax site occupiers or as rebates from HMT) are used to support the freeport initiative and levelling up, such as business support, skills and infrastructure ("pot c") which Tendring will benefit from. The Strategy also sets out how funds will be allocated to the tax sites, including helping fund the delivery of Bathside Bay ("pot b").
- The Council remains firm that it will not borrow without collateral to lend against future rates on the Bathside Bay site to the benefit of Hutchinsons Ports UK. The Council is however content to pass on business rates to Freeport East if and when they do come in from the tax site, in accordance with the Retained Business Rates Strategy.
- Separately the Billing Authorities, will be considering putting in place a *Business Rates Agreement* which will ensure there is clarity around forecasting, collection and management of business rates funds in a manner that is consistent with the Retained Business Rates Strategy.

Update on progress

Planning Bathside Bay (Harwich Tax Site)

Hutchinson Ports submitted their application for the temporary (15 year) Clean Energy Hub at Bathside Bay to Tendring District Council on 8 November. The planning application was approved by the Planning Committee on 14th May 2024. This follows extensive discussion with Natural England to address their previous holding objection.

The application states: Temporary use of Bathside Bay Container Terminal permitted under planning permission 10/00202/FUL dated 14 February 2013 as varied by permission 21/01810/VOC dated March 2022 (BBCT Permission) for wind turbine storage, staging, marshalling and assembly including the import and export, handling and deployment of concrete substructures, moorings, anchors and array cables and other related offshore green energy paraphernalia followed by decommissioning to enable continuation of container terminal use under the BBCT Permission.

Clean Energy Innovation Cluster in Harwich (Opergy Report)

Opergy were commissioned by the University of Essex, and funded through Tendring's UK Shared Prosperity Fund, to identify opportunities for Harwich to evolve into a centre for clean energy innovation. The report, launched in December 2023, outlines the vision, actionable recommendations, and the rationale behind creating an innovation cluster in Harwich.

The report provides an opportunity for the Council, the University of Essex and Freeport East to promote an innovation centre to funders in a two-phased approach with a pop-up interim solution whilst planning for a permanent innovation hub. The partners have now formed a

working group to take the project forward, and the creation of the Innovation Cluster is one of the priorities outlined in the Freeport East Business Plan.

Seed capital

The £7m seed capital for Bathside Bay is expected to come forward in the Summer, and proposals will be subject to a full business case and Green Book standard appraisal to ensure it is best use of public funds.

RECOMMENDATION(S)

It is recommended that Cabinet:

- a) approves the Freeport East annual business plan for 2024/25;**
- b) delegates authority to the Leader of the Council to approve future annual business plans on behalf of Tendring District Council as a Founding Member of Freeport East Ltd.;**
- c) approves the appointment of Lee Heley, Corporate Director Place and Economy, as the Council's Alternate Director of Freeport East Ltd., as nominated by the Portfolio Holder for Economic Growth, Regeneration & Tourism who is the Council's main Director on the company;**
- d) approves Freeport East Ltd.'s Business Rate Relief Strategy (Local Growth and Investment Strategy); and**
- e) notes the progress that has been made with the Freeport East programme.**

REASON(S) FOR THE RECOMMENDATION(S)

Approving the Business Plan will allow Freeport East to operate with a framework of expenditure and report back against the priorities set for the year. It also allows Freeport East to publish the business plan and to be open and transparent about how the business rates are being used to meet the objectives of government and local partners.

By appointing an Alternate Director, the Council can ensure they have sufficient cover for future Board meetings.

Approving the Retained Business Rates Strategy will ensure there is a robust process by which the business rates are allocated, helping to achieve the Freeport East objectives, which in turn will ensure that local people benefit from the Freeport. Having an agreed and published Strategy is a condition of all Freeports stipulated by government.

ALTERNATIVE OPTIONS CONSIDERED

The alternative option is for the Council not to approve the Business Plan and the Retained Business Rates Strategy, however this would prevent Freeport East Ltd from being able to operate within the framework agreed by the Board of Directors, and would result in the

company not achieving the work programme for 2024/25, which includes progressing Bathside Bay, nor meeting the conditions set out by DLUHC.

Cabinet could also choose not to appoint an Alternate Director to the Company, but the Council will not be able to vote as meetings if the Director is unable to attend, and will therefore have less influence over the strategic direction of the Company.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Council's new corporate priorities include raising aspirations and creating opportunities. Under this objective there is a specific objective to take the opportunities afforded by Freeport East and the development of Bathside Bay.

The Council's Economic Strategy 2020 to 2024 states that a key action should be to "Work with Essex County Council to facilitate senior level discussion with the owners of Harwich Port so secure an agreed long-term strategy for the Port. Based on these discussions, develop a clear plan for investment in quayside infrastructure."

The Economic Strategy also identifies Clean Energy as a growth sector which should be targeted. Freeport East's planned focus on Net Zero complements this objective, alongside TDC's ambitions for an Innovation Centre to complement the Freeport East development at Bathside Bay.

OUTCOME OF CONSULTATION AND ENGAGEMENT (including with the relevant Overview and Scrutiny Committee and other stakeholders where the item concerns proposals relating to the Budget and Policy Framework)

The Freeport East Portfolio Holder Working Party is a key mechanism to enable engagement across the Council on Freeport East, which has helped to shape Council policy on the Freeport, for example the focus highlighting the importance of transport and skills. The Freeport East Working Party meets every two months to continue the engagement with the Council's board representative on Freeport East Ltd, The Portfolio Holder for Economic Growth, Regeneration and Tourism.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	YES	If Yes, indicate which by which criteria it is a Key Decision	X Significant effect on two or more wards Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28	To give an update on the latest progress with Freeport East added to the Forward Plan 12/09/2023 To also enable Cabinet to approve the Freeport East annual business

		days at the latest prior to the meeting date)	plan for 2024/25, and to delegate authority to the Portfolio Holder for Economic Growth, Regeneration & Tourism to approve future annual business plans on behalf of Tendring District Council as a founding member of Freeport East Ltd added to the Forward Plan 16/04/2024
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Retained business rates

Under paragraph 39(1) (designation of areas) of schedule 7B to the Local Government Finance Act 1988 – local retention of non-domestic rates, the Freeport tax sites are to be classed as a designated area with effect from 1 April 2023 for a fixed term of 25 years from the date the tax site was designated for the purposes of tax relief.

The Billing Authorities, signatory to the MOU, will retain 100% of the collectible business rates in excess of a baseline to be agreed between DLUHC and the Billing Authorities prior to the tax sites being designated in the regulations for business rates retention purposes.

Freeports business rates relief

At the Autumn Statement on 30 November 2023 the government announced that the window to claim Freeport tax relief would be extended from five to ten years, until 30 September 2031 for English Freeports.

Central Government is not changing the legislation relating to the reliefs available to businesses and has produced guidance for all local authorities that use their discretionary powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant relief to those ratepayers who are eligible. A billing authority in England, when making a decision under subsection (3) of S47 of the Local Government Finance Act 1988 must have regard to any relevant guidance issued by the Secretary of State.

The Council's retained rates policy (approved Jan 2023) reflects the principles set out in the associated Government guidance. The 'cost' of awarding reliefs under S47 of the Local Government Finance Act 1988 will be fully reimbursed by the Government via S31 grants under the Local Government Act 2003.

This Policy will come back to Cabinet at a future date if revisions are required by Freeport East and Government.

Subsidy Control

The new Subsidy Control Act 2022 ("the Act") came into effect from 4 January 2023 and the legislation provides a new framework and regulates the award of financial assistance, as a subsidy, by public authorities and their agents to organisations which are engaged in economic activities. Statutory Guidance for the United Kingdom Subsidy Control Regime has been issued by the Secretary of State for the Department for Business, Energy and Industrial Strategy (BEIS) under section 79 of the Act. Under section 79(6) public authorities must have regard to this guidance (so far as applicable to the authority and the circumstances of the case) when giving a subsidy or making a subsidy scheme.

Following ongoing dialogue between the Freeports and the government regarding the pressures the Subsidy Control assessments would put on the Billing Authorities, DLUHC has published the Freeports Subsidy Scheme (26 April 2024) which covers a blend of measures, enabling public authorities to provide targeted support to promote economic activity in Freeport locations in England.

The public policy objective of the Freeports Subsidy Scheme is to reduce inequality and to support the Government's stated ambition to level up parts of the UK economy and the country which need regeneration and investment, ensuring that disadvantaged groups or regions have increased economic opportunity.

Under the Freeports programme subsidy scheme, any awards made in accordance with the freeports guidance are judged to be consistent with the subsidy control principles. This means that local authorities who satisfy themselves that an award complies with this guidance are not required to conduct their own assessment of the award against the subsidy control principles. It also means that a subsidy awarded under the scheme that complies with this guidance is insulated from legal challenge under the Subsidy Control Act.

Worth noting is that there is no cap to the value of a business rates relief award that can be made under the Freeports programme subsidy control scheme. For the avoidance of doubt, subsidies awarded under The Scheme do not constitute Minimum Financial Assistance and so do not cumulate with Minimum Financial Assistance awards.

X	The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:
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No comments received.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Operational costs are now a low risk as Freeport East Ltd.'s costs for 2024/25 will now be sufficiently covered by retained rates.

The majority of the retained rates are expected to come in from Gateway 14 first (where NNDR1 business rates forecasts for 24/25 are greater than the company operational costs), then from the Felixstowe tax site, and finally from Bathside Bay, and so pay for the costs of the team in that order. The Retained Rates Strategy approved by Freeport East's board makes it clear that if Bathside Bay does not come forward Tendring District Council as the Billing Authority will not be liable for the cost of the team.

Work to ensure there is effective forecasting of future business rate income will be part of a business rates agreement between the Billing Authorities and Freeport East.

X	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:
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Although there are no significant comments over and above those set out elsewhere in the report, it is important to highlight the point made earlier relating to the fact that the Council will not be accruing a financial liability for the operational costs of Freeport East Ltd if the Bathside Bay site does not progress, as these will be met from retained rates from other sites within the

Freeport East area. (Please see page 13 of the attached Freeport East Local Growth and Investment Strategy where under the heading of 'Banking Mechanism for Site Contributions to Freeport Delivery Costs' its sets out an 'intention to fund' arrangement, which is predicated on only contributing to such costs when business rate income is realised over the life of the project.)

It is also worth highlighting that the Council's previous forward funding investment of £160,000 into Freeport East is repayable at some time in the future subject to business rate income / forecasts, which is also reflected in the attached Freeport East Local Growth and Investment Strategy.

As discussed previously, the Council remains committed to supporting the successful development of the Bathside Bay site including maximising opportunities from retained business rate income that is generated from the site. However, at the present time such investment would be based on business rate income actually achieved / secured rather than forward funding based on future forecasts of business rate income.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	The Council has, along with partners, taken a prudent decision to not forward fund tax sites ahead of business rate income. Rather we will provide an enabling approach to business rates that supports the development of the Port without risk to the Council's finances.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks.	The Council reviews Freeport East matters carefully at an officer and member level, providing advice to the Freeport East Ltd Board member ahead of meetings. The Portfolio Holder Working Party provides additional constructive support and challenge, deepening the approach to governance across the Council for Freeport East.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	The Council is primarily an enabler in Freeport East, using its powers as a billing authority to support the development of the programme, with investment for site and project delivery coming from other parties. The Council engages with the Freeport East Ltd team, the Bathside Bay site owner HPUK and other councils in the programme to seek to get best value for Tendring from the investments taking place as part of the programme.

MILESTONES AND DELIVERY

- Agreement of the Business Plan for Freeport East – May 2024
- Bathside Bay to submit cost plan information and an update on the commercial viability gap to DLUHC – May 2024
- Retained Rates Strategy to be published by Freeport East Ltd – June 2024
- Action feedback on the Tax Site Management Policy issued by DLUHC – July 2024
- Bathside Bay seed capital business case – Summer 2024

ASSOCIATED RISKS AND MITIGATION

Risk to delivery. There remains significant risk that Bathside Bay is not delivered through the

programme. The site requires significant commercial and public sector investment, and there is no guarantee that commercial partners or government agencies will come forward. Hutchinson Ports has a good relationship with Government, and a strong public affairs function. It has completed commercial work with the Clean Energy Sector to promote the site to new firms. However, it is not guaranteed that these discussions will turn into investments.

Risk to reputation of not delivering Freeport East. There are reputational risks of being part of the Freeport East Company if Bathside Bay is not delivered. The Council is clear that it will do everything in its power to support Bathside Bay, but ultimately the Harwich Tax site is a commercial proposition and a Government policy; Tendring District Council can only play its part in the programme, for example through our Planning and business rates policies. The Council cannot develop out the site ourselves, or invest heavily in it.

EQUALITY IMPLICATIONS

The Council's previous equality impact assessment for Freeport East has two main findings.

- As a jobs programme, Freeport East will impact primarily on people of working age, or younger people who will become of working age. It is not targeted at older people. However, there is no need to change the operation of the programme, which legitimately primarily benefits people of working age.
- Secondly, green energy sector jobs are predominantly taken up by men. The International Renewable Energy Agency states that "Wind energy sector is male dominated, with women representing just 21% of the workforce" in its 2020 Annual Review, page 13. As such, there will be a need to be a focus on supporting women's entry into the workforce.

SOCIAL VALUE CONSIDERATIONS

There is very significant social value potential with the Freeport programme. The development has the potential for 3,500 jobs at the Harwich Tax site, and a skills development programme that will help residents to learn the skills to access the jobs. The Freeports are able to spend business rates for a period of 25 years locally, on the development of the infrastructure to create the sites in the first place (Pot B) and on local regeneration schemes, including skills development so people can access the jobs (Pot C). The economic strategy submitted as part of the recent Planning process associated with Bathside Bay includes 10 day local advertising to give residents an opportunity to access jobs ahead of competitors from outside the District. In addition Freeport East are developing their Social Value Policy in 2024

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030

The shift to the UK becoming net zero by 2050 relies on shifting energy use from petrol and gas to electricity, and shifting electricity production from carbon intensive means, like gas fired power stations, to renewables, like wind, solar and nuclear. The development of off shore wind farms in the north sea is a crucial part of the government's strategy to reach net zero by 2050, and related target for 50GW of offshore wind generation by 2030.

In addition, some larger forms of transport like shipping, aircraft and lorries, may find it difficult to move from petrol to electric power given the amount of energy needed to move them. As a result hydrogen may become a means to power larger transport.

The Clean Energy Hub at the Harwich Tax site is designed to support the expansion and management and operations of wind turbines in the north sea. As such it is part of the effort to

shift the country's energy supply towards net zero. The development of hydrogen technology is another route to supporting the energy transition needed to deliver the UK's climate ambitions. The carbon that is used now to develop the Clean Energy Hub is supporting the move away from fossil fuels and towards renewables.

OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

<p>Crime and Disorder</p>	<p>It is expected that customs sites in particular will need to take appropriate measures to ensure the physical site and the systems within them are kept secure. Currently the only customs site which is operational is at Felixstowe. These plans will also ensure that all businesses operating within the Freeport East area will have mandatory minimum security and reporting requirements placed upon them. Given the limited take up</p>
<p>Health Inequalities</p>	<p>The impact of the Freeport on jobs is expected to have a consequential positive impact on health inequalities. In the long term the economic benefit that comes from work has a positive impact on people's health; bringing jobs into a location is one of the best public health measures that can be taken.</p>
<p>Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)</p>	<p>The new UK subsidy control regime will enable public authorities, including devolved administrations and local authorities, to deliver subsidies tailored to local needs, support government priorities such as driving economic growth and reaching net zero. The programme expects subsidy to private companies, who would benefit from investments to make their sites more viable, for example Bathside Bay. The Council will administer Freeport Business Rates Relief in accordance with the Statutory Guidance and associated documents issued by the Government under the Freeport Subsidy Scheme, published on 26 April 2024</p>
<p>Area or Ward affected</p>	<p>All Wards. The policy will have particularly significant impact on Harwich and Kingsway, Dovercourt Bay and Dovercourt Vines and Parkeston where the major Tax site is located at Bathside Bay.</p>

PART 3 – SUPPORTING INFORMATION

BACKGROUND

This section sets out the background to the Freeport policy and the sites within Freeport East,

in particular Bathside Bay at Harwich.

In short, Government allows the eight Freeports to attract new business activity to specific development sites by offering short term tax breaks to companies, and then allows local areas to keep the business rates from that new activity for 25 years to fund local regeneration.

Government has three stated aims for the Freeports programme:

- to promote regeneration and job creation – this is the main objective;
- to establish Freeports as national hubs for global trade and investment;
- to create “hotbeds for innovation”.

Freeports are part of the government’s **levelling up agenda**, with Freeports in areas with low levels of income and employment, and a particular focus on increasing the skills and employment of those from disadvantaged backgrounds.

The UK government also expects that the Freeports will contribute to **decarbonisation of the economy** and progress towards its target of reaching net zero greenhouse gas emissions by 2050.

What do the companies get on a Freeport tax site?

Eligible firms who grow their businesses on a Freeport tax site will have access to tax reliefs for five years including:

- Business Rates;
- Stamp Duty Land Tax (SDLT);
- Employer National Insurance Contributions (NICs);
- Enhanced Structures and Building Allowance; and
- Enhanced Capital Allowances.

Business also get simplified customs process, similar to a bonded warehouse. These tax benefits are designed to attract new investment to the site.

What does the local area get through a Freeport?

The local council keeps all of the business rates growth, above an agreed baseline, paid by firms on the Freeport tax sites. Usually some of the business rates would go to central government. This extra income is guaranteed for 25 years. Government allows councils to borrow against that future income to invest in regeneration and infrastructure now, and pay themselves back as the business rates come in.

Freeport East

- Freeport East is one of the eight Freeport’s nationally. It aims to benefit traders, manufacturers and clean energy suppliers. It plans to create 13,500 new jobs and generate a Gross Value Added (GVA) of £5.5 billion over 10 years.
- Freeport East is based around:
 - the Port of Felixstowe;
 - Harwich International Port; and
 - Gateway 14 business park off the A14 near Stowmarket, Suffolk.
- It has 275 hectares of space and facilities across three sites eligible for tax relief at

Felixstowe dock, Bathside Bay in Harwich, and Gateway 14 in Stowmarket. These sites are also eligible for customs duty relief, and there are four additional sites also eligible for customs reliefs. [Maps of Freeport East tax sites - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/442222/Maps_of_Freeport_East_tax_sites_-_GOV.UK.pdf)

- The Ports of Harwich and Felixstowe are both owned and operated by companies owned by the Hutchison Group Ltd (HPUK). The Gateway 14 Site in Stowmarket is owned by Mid Suffolk District Council.
- **Felixstowe Tax Site:** High value manufacturing, processing, and engineering hub to maximise the benefits being immediately adjacent to Felixstowe Port, the UK's gateway to Europe, Asia and the rest of the world. The investment into Felixstowe and its drive towards trialling innovative usages of hydrogen and new technology will drive investment into Felixstowe and the wider area to support investment into housing, transport and skills facilities.
- **Gateway 14 Tax Site:** This is a business park off the A14 near Stowmarket. It aims to house high value logistics, manufacturing, research and development and professional services are the primary sectoral focus for the site. The increase in employment land and high value jobs will aid justification for increased transport and housing developments and lead to a supporting service industry that will aid the wider regeneration of the local area.

Bathside Bay: the Harwich Tax site

- The Harwich Tax Site is intended to be developed as a Clean Energy Hub. Most of the tax site is a tidal bay that needs to be reclaimed from the sea.
- The UK is the world's largest market for wind energy. Before 2030, £16bn of capital expenditure is anticipated in East Anglia ONE North, TWO and THREE, Norfolk Vanguard and Norfolk Boreas: 35 percent of total investment in offshore wind in the UK. The UK is only second to China internationally in offshore wind development, according to the FT.
- The Clean Energy Hub will be part of the supply chain as this new offshore wind energy is developed with broadly two types of port users. The *manufacturers* who build the windfarm towers and other parts. These manufacturers help bring security of commercial and business rate income and the economic benefits to the area through new jobs, and their supply chains. The windfarm *developers* use the port to store the towers etc. for up to two years before installing them in the North Sea.

Governance of Freeport East

Freeport East is a Company Limited by Guarantee. The Company Board has representatives from the members of the partnership including.

- Tendring District Council
 - Essex County Council,
 - Suffolk County Council,
 - East Suffolk District Council,
 - Mid Suffolk District Council,
 - Essex University
 - Hutchison representative
 - Gateway 14 Ltd
-
- Tendring District Council is a member and appoints a Director to board, Cllr Ivan Henderson, with Lee Heley, Corporate Director for Place and Economy proposed as

alternate

PREVIOUS RELEVANT DECISIONS

- April 2021 Freeport East Cabinet Paper
- September 2021 Freeport East Update and Business Rates Retention Cabinet Paper
- March 2022 – Cabinet Paper: Freeport East Full Business Case
- January 2023 – Cabinet Paper: Freeport East Progress and Agreement of Memorandum of Understanding

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Annex 1: Freeport East Business Plan
Annex 2: Retained Business Rates Strategy

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