

**MEMORANDUM OF UNDERSTANDING**

***Between***

***The Secretary of State for Levelling Up, Housing and Communities***

***-and-***

***Thurrock Council***

**As the Accountable Body for Thames Freeport**

***-and-***

***Thames Freeport Governing Body***

**As the Governing Body responsible for the delivery of the Freeport**

***-and-***

***Thurrock Council and the London Borough of Barking and Dagenham***

**As the Billing Authorities responsible for collecting business rates in Freeport  
Tax Sites**

## Contents

|                                                           |    |
|-----------------------------------------------------------|----|
| 1. Introduction .....                                     | 3  |
| 2. Governance .....                                       | 6  |
| 3. Financial Arrangements .....                           | 16 |
| 4. Freeport Delivery .....                                | 22 |
| 5. Strategic Delivery.....                                | 24 |
| 6. Performance Management, Assurance and Evaluation ..... | 30 |
| 7. Ongoing Management .....                               | 32 |
| 8. Freedom of Information .....                           | 34 |

## Attached

- Appendix 1: Thames Freeport FBC with Annexes
- Schedule 1: Spend Profile
- Schedule 2: Milestones
- Schedule 3: Communications Partnership Pack for Freeports
- Schedule 4: Freeports Performance Management, Security Audit and Assurance Framework ('the Freeports Framework')
- Schedule 5: Monitoring and Evaluation Indicators and Guidance

## Version history

| Version | Date agreed | Update summary                                                                                                                                                                   |
|---------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.0     | 20/12/2023  | Version 1.0 of HMG Approved MOU.                                                                                                                                                 |
| 1.1     | 13/02/2024  | Version 1.1 of HMG Approved MOU to include tracked changes requested by Thames Freeport, inclusion of '10. UK Government Branding' section and also four additional definitions. |
| 1.2     | 15/02/2024  | Version 1.2 of HMG Approved MOU includes addition of Thurrock Council as a Billing Authority on signature page.                                                                  |

## 1. Introduction

### 1.1. Purpose

- 1.1.1. This Memorandum of Understanding ('MoU') sets out the terms, principles and practices that will apply to the working relationship between: the Department for Levelling Up, Housing and Communities ('DLUHC'); Thurrock Council ('the Accountable Body' for the Thames Freeport); and the Thames Freeport Governing Body ('the Governing Body') (collectively 'the Parties'), regarding the delivery and administration of the Thames Freeport ('the Freeport'), including the use of Seed Capital grants; the use of Capacity Funding grants; and Thurrock Council and the London Borough of Barking and Dagenham (collectively 'the Billing Authorities') for collecting business rates in the Freeport tax sites.
- 1.1.2. These parties have agreed to collectively deliver a public policy intervention –Thames Freeport – with aims rooted in the public good. This carries with it certain expectations of the Parties, their behaviour, and the consideration they will give to those aims given the financial and other public support they stand to receive from Her Majesty's Government of the United Kingdom of Great Britain and Northern Ireland ('HMG'). This MoU details those expectations and provides for a shared understanding of what it means to participate in the delivery of public policy.
- 1.1.3. Eight prospective Freeports in England were announced at the March 2021 Budget. The Thames Freeport was successful in its bid to become a Freeport, as set out in the Freeports bidding prospectus.<sup>1</sup>
- 1.1.4. An Outline Business Case ('OBC') and a Full Business Case ('FBC') were developed to demonstrate how the Freeport will achieve the policy objectives set by HMG.
- 1.1.5. Following submission and appraisal of its OBC, HM Treasury ('HMT') tax site assessment and HM Revenue & Customs ('HMRC') authorisation of a custom site, the Freeport became operational on 14 December 2021. An operational Freeport is a Freeport with designation of at least one tax site and one customs site, and an approved OBC.
- 1.1.6. On 30 November 2022, the FBC addendum for the Freeport was received by DLUHC. Following consultation with DLUHC and other government departments, on 30 January 2023 HMG approved the FBC and addendum and DLUHC notified the Freeport of the outcome. A copy of the FBC, Addendum and its Annexes are attached at Appendix 1, unlocking Seed Capital from Financial Year (FY) 2023/24 to FY2025/26.
- 1.1.7. HMG has approved the FBC on the understanding that the Accountable Body and Thames Freeport Governing Body will oversee the development of individual business cases for Seed Capital projects in accordance with best

---

<sup>1</sup> HM Treasury and Ministry of Housing, Communities and Local Government, Freeports bidding prospectus (2020), <https://www.gov.uk/government/publications/freeports-bidding-prospectus>

practice principles, namely those outlined in the HMT Green Book (2020),<sup>2</sup> IPA Cost Estimating Guidance and Cabinet Office's The Construction Playbook.<sup>3 4</sup>

1.1.8. Following FBC approval, DLUHC provided the Thames Freeport with the following list of outstanding actions that should be achieved within the agreed timeframes. DLUHC will review the status of these actions through the processes set out in Section 6 of this MoU:

- a) **Economic Case modelling** - Confirm that the Stamp Duty Land Tax relief modelling only includes eligible transactions.
- b) **Seed capital** - Provide further detail on seed capital projects prior to any CDEL being released.
- c) **Retained business rates** - Provide further details on the retained business rates decision-making process.

1.1.9. This MoU formalises the key commitments made by the Freeport throughout the FBC and outlines what support it can expect from DLUHC and other HMG departments, including the Department for Business and Trade ('DBT'), Department for Energy, Security and Net Zero (DESNZ), Department for Science, Innovation and Technology (DSIT), Department for Education ('DfE'), the Department for Work and Pensions ('DWP'), HMT, and HMRC.

1.1.10. While this MoU is not legally enforceable, it is expected that all parties will aim to, as far as possible, honour their obligations under this memorandum, as per Section 7 of this MoU.

## 1.2. Definitions

### 1.2.1. It is agreed that:

- a) "Accountable Body" means the local authority organisation accountable for the delivery and administration of Freeport Seed Capital and Capacity Funding grants and for ensuring the good functioning of the Thames Freeport Governing Body. Depending on locally agreed retained business rates arrangements, the Accountable Body may also be accountable for the use of the retained business rates across the Freeport.
- b) "Commissioner" means a person nominated by the Secretary of State under section 15(6a) of the Local Government Act 1999 to exercise specified functions of a council.

---

<sup>2</sup> HM Treasury, The Green Book (2020), <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

<sup>3</sup> Infrastructure and Projects Authority, Cost Estimating Guidance (2021), <https://www.gov.uk/government/publications/cost-estimating-guidance>

<sup>4</sup> Cabinet Office, The Construction Playbook (2020), <https://www.gov.uk/government/publications/the-construction-playbook>

- c) “Thames Freeport Governing Body” means the primary governance body accountable for delivering the Freeport and achieving its strategic objectives. The Thames Freeport Governing Body may take different organisational forms based upon how the Freeport company or entity is set up. The Accountable Body are members of the Thames Freeport Governing Body. Depending on locally agreed retained business rates arrangements, the Thames Freeport Governing Body may also be accountable for the use of the retained business rates across the Freeport.
- d) “Billing Authority” means the local authority(s) responsible for the collection of business rates within a Freeport designated tax site. Depending on locally agreed retained business rates arrangements, the Billing Authorities may be accountable for the use of the retained business rates across the Freeport.
- e) “Freeport” means the area, and related operations within, outlined in maps provided to, and agreed by, HMG during the business case approval process. These maps are published on GOV.UK<sup>5</sup>.
- f) “Operational Freeport” means a Freeport with designation of at least one tax site and one customs site, and an approved OBC.
- g) “Tax Site” means Freeport tax sites that are designated and recognised in law as geographical areas where businesses can benefit from tax reliefs to bring investment, trade and jobs to regenerate regions across the country that need it most. Freeport tax site maps are published on GOV.UK<sup>6</sup>.
- h) “Seed Capital” means the capital grant which is HMG’s contribution towards capital investment for the delivery of the Freeport proposal. This is disbursed through the Accountable Body.
- i) “Capacity Funding” means the revenue grant which is HMG’s contribution towards day-to-day resources and administration for the delivery of the Freeport proposal. This is disbursed through the Accountable Body.
- j) “Spend Profile” means the forecast spend of grants as set out in the Schedule 1: Spend Profile, demonstrating how grants will be spent and the assumptions on how projects will be financed.
- k) “Financial Year” means the Government’s Financial Year which runs from 1 April to the 31 March each year.
- l) “Confidential Information” means any information which has been designated as confidential by any of the parties in writing or that ought to be considered as confidential (howsoever it is conveyed or on whatever media it is stored) including information the disclosure of which

---

<sup>5</sup> <https://www.gov.uk/government/publications/maps-of-uk-freeports>

<sup>6</sup> <https://www.gov.uk/government/collections/maps-of-freeports-and-freeport-tax-sites>

would, or would be likely to, prejudice the commercial interests of any person or trade secrets and all personal data and sensitive personal data within the meaning of applicable legislation. Confidential Information shall not include information which:

- i. was public knowledge at the time of disclosure (otherwise than by breach of a duty of confidence by any of the parties);
  - ii. was in the possession of the receiving party, without restriction as to its disclosure, before receiving it from the disclosing party;
  - iii. is required to be disclosed by applicable laws or regulations of a stock exchange or regulatory authority or by order or ruling of a court or administrative body of competent jurisdiction;
  - iv. is received from a third party (who lawfully acquired it) without restriction as to its disclosure; or
  - v. is independently developed without access to the Confidential Information.
- m) “Crown” means the government of the United Kingdom (including the Northern Ireland Executive Committee and Northern Ireland Departments, the Scottish Executive and the National Assembly for Wales), including, but not limited to, government ministers, government departments, government offices and government agencies.
- n) “Data Protection Legislation” means (i) the UK GDPR as amended from time to time; (ii) the Data Protection Act 2018 as amended from time to time; (iii) regulations made under the Data Protection Act 2018; (iv) all applicable law about the processing of personal data.
- o) “UK GDPR” means the General Data Protection Regulation (Regulation (EU) 2016/679) as transposed into United Kingdom national law by operation of section 3 of the European Union (Withdrawal) Act 2018, together with the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019.
- p) “Operational Freeport” means a Freeport with designation of at least one tax site and one customs site, and an approved OBC.
- q) “FBC” has the meaning given in 1.1.4.
- r) “DLUHC Freeport Lead” has the meaning given in Section 2.3.1.
- s) “HMRC” has the meaning given in 1.1.5

## **2. Governance**

### **2.1. Roles and Responsibilities**

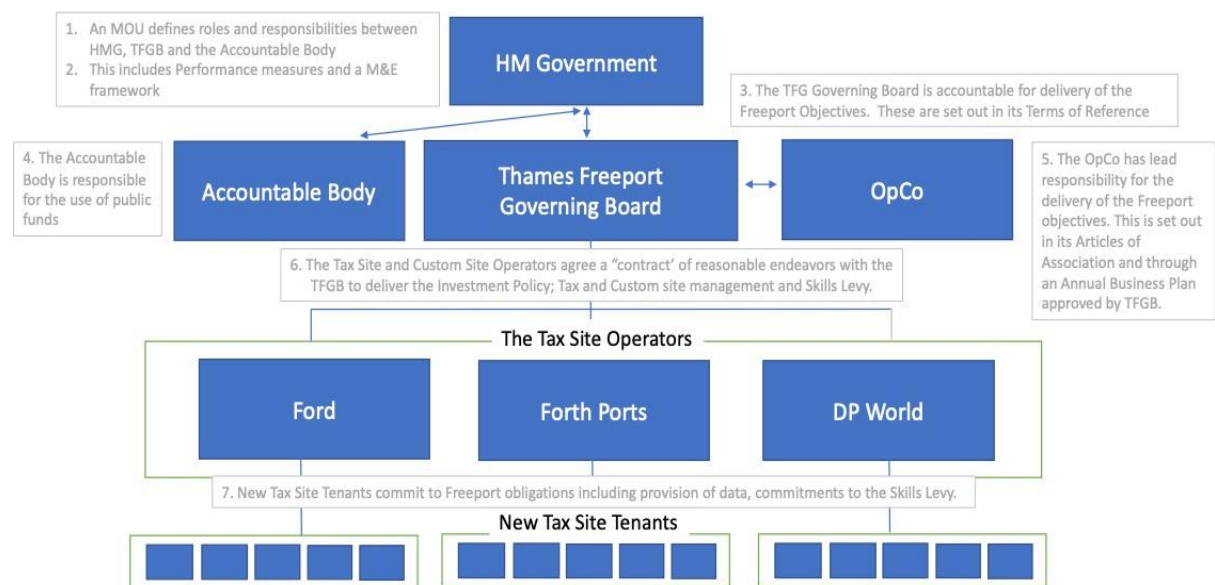
- 2.1.1. Thames Freeport is accountable to DLUHC for the delivery of Thames Freeport and achieving its strategic objectives as set out in Sections 4 and 5

of this MoU and the approved FBC, attached at Appendix 1. Where the Thames Freeport is accountable for an aspect of Freeport delivery, but contracts this out, it is incumbent upon the Thames Freeport to put in place the necessary mechanisms to hold partners to account for Thames Freeport Freeport's delivery.

- 2.1.2. Thurrock Council is the Accountable Body for Thames Freeport and are accountable to DLUHC for the use of Seed Capital, Capacity Funding grants and for ensuring the good functioning of the Thames Freeport Governing Body. All responsibilities attributed to the Accountable Body in this MoU must be discharged by Thurrock Council to the satisfaction of its Commissioners, per the Directions issued on 16 March 2023. The Accountable Body, Thurrock Council, is required to be a member of the Thames Freeport Governing Body.
- 2.1.3. Thurrock Council and the London Borough of Barking and Dagenham are the Billing Authorities who are responsible for the collection of business rates within a Freeport designated tax site. The accountability of the Billing Authorities and use of retained business rates is set out in Section 3.7.
- 2.1.4. DLUHC as the HMG body accountable for coordinating the delivery of the Freeports Programme, agrees to support the Parties in the delivery of commitments as set out in the FBC, and particularly in the realisation of the strategic objectives as set out in Section 5 of this MoU.
- 2.1.5. The Parties agree to work together, cooperate in good faith and fully participate in the delivery of the Freeport as articulated through the FBC, attached at Appendix 1, in addition to this MoU, or any subsequent revisions to the FBC agreed through the change process as referenced in Section 6.9 of this MoU.
- 2.1.6. For the avoidance of doubt, the relevant Parties shall be accountable to DLUHC for the acts of its external delivery partners if delivering public money, including any consequences of poor performance arising from their conduct, as per Section 7.3 of this MoU.

## **2.2. Freeport governance**

- 2.2.1. The Thames Freeport Governing Body will adopt the governance structures for the delivery of the Freeport as set out at 5(a) in the Management Case of the FBC attached at Appendix 1, including:
  - a) The following, high-level corporate structure:



- b) The Thames Freeport Governance Board (TFGB) will have overall responsibility for all Thames Freeport activity, provide its leadership, and will be accountable to Government for the achievement of the Freeports strategic objectives. It will be the single decision-making body in relation to the achievement of the Freeport's policy objectives.
- c) The TFGB's responsibilities will include:
- The overarching Freeport strategy and the setting of strategic goals;
  - Optimising the development of its tax sites;
  - Working closely and collaboratively with HMRC and custom site operators to support the delivery of customs sites;
  - Owning, updating and devoting appropriate resources to the delivery of the Net Zero strategy;
  - Owning, updating and devoting appropriate resources to the delivery of the Innovation strategy;
  - Best endeavours in owning, updating and devoting appropriate resources to the support the delivery of Regeneration and Levelling Up objectives;
  - Owning, updating and devoting appropriate resources to the delivery of the Skills and Workforce Development strategy;
  - Owning, updating and devoting appropriate resources to the delivery of the Trade and Investment Strategy.
  - Approving an annual business plan (including areas such as seed capital funding projects, skills and net zero) – capturing all major operational interventions and projects;
  - Reviewing the strategy and projects that will be funded from Retained Business Rates across the Freeport geography. This activity will be undertaken by TFGB to ensure that a broad and strategic view is



developed. It will make its recommendations to the Accountable Body and Rating Authorities.

k) Stakeholder engagement – across the sub region including partners in the Thames Estuary; and contracts agreed.

l) Monitoring and evaluation – receiving bi annual reports on progress and assessing the success and learning from the projects instigated.

d) The TFGB's membership will be as follows:

| <b>Representative / Organisation</b>                         | <b>Role</b>                   | <b>Rationale</b>                                  |
|--------------------------------------------------------------|-------------------------------|---------------------------------------------------|
| Chair                                                        | Leadership of the TFGB        | Independence                                      |
| DP World (London Gateway)                                    | TFGB Member                   | Port, Tax and Customs Site Operator               |
| Forth Ports (Port of Tilbury)                                | TFGB Member                   | Port, Tax and Customs Site Operator               |
| Ford                                                         | TFGB Member                   | Tax and Customs Site Operator                     |
| Thurrock Council (Leader or nominated representative)        | TFGB Member, Accountable Body | Local Authority, Accountable Body                 |
| LB Barking and Dagenham (Leader or nominated representative) | TFGB Member                   | Local Authority                                   |
| LB Havering (Leader or nominated representative)             | TFGB Member                   | Local Authority                                   |
| Non-Executive                                                | TFGB Member                   | External Strategic Advisor: Skills & Employment   |
| Non-Executive                                                | TFGB Member                   | External Strategic Advisor: Trade & Investment    |
| Non-Executive                                                | TFGB Member                   | External Strategic Advisor: Innovation & Net Zero |
| Thames Estuary Growth Board (Chair)                          | TFGB Member                   | Regional Growth Partner                           |
| Port of London Authority (Chief Executive)                   | TFGB Member                   | Regional Growth Partner                           |
| DLUHC                                                        | Observer                      | Coordination with Central government              |
| Parliament                                                   | Observer                      | Link to wider government policy                   |

## OFFICIAL

- e) The TFGB will hold individual partners to account for delivery through the mechanisms including but not limited to:
  - a) This MOU;
  - b) An MOU Agreement between the TFGB and the tax site owners and custom site owners setting out a commitment to work collaboratively to deliver the overall Freeport objectives, and delivery of the tax sites and the Freeport's Investment Policy. This includes specific undertakings in relation to the Thames Freeport Investment Policy, Tax Claw Back and Skills Levy;
  - c) Ensuring that the commercial agreements between the tax site operators and individual tenants have appropriate provisions to meet the investment policy and skills levy requirements; and
  - d) Funding agreements that are established between the Accountable Body and the Operating Company and delivery providers - for the use of Seed Capital and Retained Business Rates projects. This could include recommending to the Accountable Body additional measures of scrutiny or a hold in releasing funds, if a project is significantly delayed, or there is a material change of focus.
- f) TFGB decisions shall have due regard to the strategic objectives of the Thames Freeport and shall be made by a simple majority of a quorum, with a casting vote to the Chair if a simple majority is not achieved and subject to the proviso that any matter which has a direct bearing on any member of the Thames Freeport Consortium's sites can only be approved if the member concerned approves the decision.
- g) The TFGB will be supported by sub-committees focusing on the following areas:
  - a) Trade and Investment;
  - b) Skills and Employment;
  - c) Innovation and Net Zero; and
  - d) General Purposes and Resources
- h) The TFGB will also be supported by an Operating Company (OpCo). This will be a limited company incorporated for a 5-year term and managed by a board comprising an equal number of representatives appointed by each of the three tax site landowners. The OpCo's overall accountability is to the TFGB and its objectives are aligned with the key TFGB objectives with an emphasis on supporting the furtherance and implementation of the Thames Freeport strategy and its core projects. TFGB will direct the activities of the OpCo through the agreement of the annual business plan, the funding agreement and use of its resources.

2.2.2. The Thames Freeport Governing Body will notably, in this regard:

- a) Commit to and ensure Sub Committees and the operation company Board appropriate levels of transparency, propriety, and inclusivity with respect to governance and adherence to the Seven Principles of Public Life ('the Nolan Principles'<sup>7</sup>). This includes but is not limited to the publication of board papers, minutes, and register of members' interests to ensure any actual or perceived conflicts of interest are recorded and managed appropriately. Where publication of board papers, minutes and registers of members and directors' interest are subject to commercial confidentiality, the Accountable Body will need to set out a process for determining the publication criteria for commercial confidentiality with the Thames Freeport Governing Body. This will need to provide the rationale that balances protecting commercial interests directly connected to the objectives against the wider public interest in transparent Freeport governance. This should be aligned with established regulatory standards such as Schedule 12a of the Local Government Act 1972 and principles<sup>8</sup> set out by the Information Commissioners Office ('ICO'). All items need to be maintained if not publicly published and must be provided to DLUHC if requested for assurance purposes.
- b) Within reasonable endeavours, ensure that sufficient financial and human resources are available to support the successful delivery of the Freeport; and
- c) Inform the DLUHC Freeport Lead (see Section 2.3.1) of any changes to these governance structures and if required, take any changes through the change process referenced in Section 6.9 of this MoU and as per Schedule 4 of the Freeports Framework.

2.2.3. The Thames Freeport Governing Body will adopt the structures referred to in Section 2.2 within the timeframes set out in the FBC Management Case. The Thames Freeport Governing Body will inform their DLUHC Freeport Lead of any changes to these timeframes.

2.2.4. The Accountable Body will:

- a) Be accountable for any HMG Freeport-specific grant funding if paid through a Section 31 grant and unless stated otherwise, including monitoring and reporting against the use of these funds, upholding procurement practices, as per Section 3.5 of this MoU;

---

<sup>7</sup> <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

<sup>8</sup> <https://ico.org.uk/for-organisations/guidance-index/freedom-of-information-and-environmental-information-regulations/section-43-commercial-interests/#publicinterest>

## OFFICIAL

- b) Maintain appropriate records relating to Freeport delivery, including, but not limited to project plans and risk registers for HMG funded activity; and
- c) Ensure the Thames Freeport Governing Body and its Sub Committees and operating company Board operates in line with appropriate levels of transparency, propriety and inclusivity, abiding by the Nolan Principles, as referenced above in Section 2.2.2(a).

### 2.2.5. The Billing Authorities will:

- a) Be accountable to DLUHC for the management of the retention of Business rates in line with the Local Government Accountability System.
- b) Be responsible for allocating all business rates collected on the Freeport tax sites to the decision-making process and purposes outlined in the FBC, excluding the counterfactual provision detailed at Section 3.7.

### 2.2.6. The Thames Freeport Governing Body, the Accountable Body and the Billing Authorities agree to work collaboratively and proactively to manage any actual or perceived conflicts of interest in decision-making as set out in the Management Case of the FBC, and in particular on the use of Seed Capital, Capacity Funding and collected business rates. The Thames Freeport Governing Body, the Accountable Body and the Billing Authorities agree to provide DLUHC with evidence of these processes when requested as part of the Freeports Framework as set out in Section 6 of this MoU.

### 2.2.7. The Thames Freeport Governing Body, the Accountable Body and the Billing Authorities are required to manage any disputes in relation to Section 2.2 through a locally agreed process.

## 2.3. Ways of working

### 2.3.1. The Freeport will be assigned a lead within the DLUHC Freeports Delivery Team who will act as a central interface for the Thames Freeport Governing Body to interact with HMG on the delivery of the Freeport and its strategic objectives ('DLUHC Freeport Lead'). This will help ensure that the Freeport is receiving the expertise and input it needs from across HMG departments to enable the Freeport to deliver against its FBC. In addition, DLUHC will support the Freeport through:

- a) Continuous improvement and policy learning, for example by using monitoring and evaluation to generate evidence and insights to inform improvements in Freeport delivery and adaptation of policy;

## OFFICIAL

- b) Providing sector support, exploring areas where Freeports strongly align with national and sectoral economic strategies;
  - c) Exploring opportunities to access further benefits across HMG, considering areas to leverage policies, schemes, and support for the Freeport;
  - d) Cross-programme collaboration, enabling opportunities for Freeports to collaborate, facilitating lesson-learning and shared programme learning;
  - e) Providing sufficient specialist and technical resource to support the delivery of the programme until 31 March 2025. DLUHC is unable to provide commitment beyond the current Spending Review period, though they commit to consulting with the Freeport on plans beyond 31 March 2025 when it is right to do so;
  - f) DLUHC will ensure the Freeport is consulted should there be the opportunity for any new benefits related to the programme.
- 2.3.2. DSIT will hold quarterly meetings with the Freeport innovation lead(s) to understand progress on the innovation strategy and the barriers to innovation the Freeport is facing. DSIT will help the Freeport address these barriers where possible, including ensuring the Freeport is connected to the correct teams across government to provide them with support.
- 2.3.3. On trade and investment, the Freeport will be supported by the DBT in leveraging the export and support services which the Department offers to provide additionality above and beyond what the Freeport is able to deliver itself.
- 2.3.4. The DBT Freeports team will act as the central contact point for accessing DBT services and capabilities, and the Freeport will endeavour to ensure regular dialogue with DBT through bi-monthly check-in meetings. DBT will ensure the Freeport is consulted in relation to strategic investment and export promotion activity conducted by DBT and will ensure the Freeport is notified of enquiries relating to the Freeport arising from DBT lead generation activity.
- 2.3.5. The Freeport is responsible for maintaining capability to independently support exporters and the end-to-end investor journey, including functions for prospecting and generating leads, enquiry handling, project management and support, as well as the management and retention of existing investors. The Freeport is encouraged to notify DBT of investment enquiries and requests for export support in order for DBT to provide targeted support on projects on an on-going basis. This will involve the Freeport's lead for Trade and Investment liaising closely with their DBT partnership manager, who, where appropriate, will ensure a virtual team from across DBT is brought

together in support of prospective investors from when they express an interest in locating in your Freeport to when their investment lands. DBT will work collaboratively with the relevant official within the Freeport to agree arrangements for providing this information. This is the standard manner in which DBT works with investment promotion agencies to manage and support investment projects and enables DBT to help investors access any relevant support. Accessing DBT resource and support is contingent on the Freeport sharing information on investment and export enquires as they arise.

- 2.3.6. The Freeport will engage with the Freeport Security Forum as per section 2.5.5 and 2.5.6 of this MoU, in line with the requirements of the annual Freeport security audit. This is a cross-government group consisting of security stakeholders from the Home Office, Border Force, National Crime Agency, the Police, DfT, HMT and HMRC.

#### **2.4. Public sector equality duty**

- 2.4.1. Recognising its role regarding the public sector equality duty under the Equality Act 2010, the Accountable Body commit to ensuring the Thames Freeport Governing Body complies with Public Sector Equalities Duty.
- 2.4.2. The Parties commit to using this data to help ensure that the Freeport is optimised to advance equality and foster good relations by highlighting any key areas for improvement, ensuring that adverse aspects of Freeport delivery relating to equality are mitigated and limited, and ensure that any opportunities to reduce inequalities are maximised.

#### **2.5. Risk management and security**

- 2.5.1. The Thames Freeport Governing Body will ensure the documentation and active management of all overall delivery risks related to the Freeport and the dedication of proportionate resources to ongoing risk management.
- 2.5.2. The Thames Freeport Governing Body commits to ensuring suitable escalation to address, mitigate and resolve significant risks through the governance procedures put in place and will flag any escalation of risk to DLUHC.
- 2.5.3. The Thames Freeport Governing Body will regularly and thoroughly maintain the Freeport's risk register(s) and will inform DLUHC of risks, associated mitigations, progress and removal through the measures set out in the Management Case of the FBC.
- 2.5.4. Recognising HMG's priority to ensure Freeports uphold the UK's reputation of high standards for tax integrity and probity, port security and combatting illicit activity, the Parties commit within the scope of Freeport activities to

fully support and cooperate with HMG in honouring the obligations set out in the OECD Code of Conduct for Clean Free Trade Zones,<sup>9</sup> and the UK's Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

- 2.5.5. The Thames Freeport Governing Body commits to ownership and management of the security and illicit activity risk assessment at Annex B of the FBC and to coordinating the implementation of an appropriate risk management and mitigation plan on this basis. Recognising this, and the commitment from Freeport customs site operators to counter illicit activity included in Annex H of the FBC, the Thames Freeport Governing Body commits to the establishment, ownership and management of the appropriate structures, governance arrangements, and establishing effective processes for coordinating the management of security risks outlined in the Management Case of the FBC. This includes coordinating active management across physical, personnel and cyber domains and working with HMG and other relevant agencies as required.
- 2.5.6. The Thames Freeport Governing Body will carry out an annual audit of Freeport security measures in place and any breaches with local security stakeholders as required by the Freeports Framework.

## **2.6. Data retention and intellectual property**

- 2.6.1. Documents and data should be retained by the relevant Parties for a minimum of 7 years. Where relevant data is held by third parties, the Thames Freeport Governing Body should seek mechanisms to be put in place to ensure they also keep documents and data for a minimum of 7 years and provide the information to the Thames Freeport Governing Body if required.
- 2.6.2. If requested, the Thames Freeport Governing Body will work within reasonable endeavours to enter into an intellectual property licensing agreement whereby the Freeport will grant DLUHC a perpetual royalty-free licence to use the OBC(s) and FBC(s). Agreement would be gained from all Parties and participating organisations/ partners before publication and any published documents would be subject to commercial confidentiality.
- 2.6.3. The Thames Freeport Governing Body will manage the Freeport's data and its stakeholders' data effectively and commit to complying with Thurrock Council's data retention policies and Data Protection Legislation.

---

<sup>9</sup> OECD, Recommendation of the Council on Countering Illicit Trade: Enhancing Transparency in Free Trade Zones (2019), <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0454>

- 2.6.4. The Parties will process any personal data in compliance with the Data Protection Legislation. HMG will manage any data provided by the Freeport effectively and commit to complying with Data Protection Legislation.

## **2.7. Communications and Branding**

- 2.7.1. DLUHC has provided the Thames Freeport with a Communications Partnership Pack for Freeports attached at Schedule 3. This is to support consistent messaging when communicating about the Freeport, including where public funds are being used or other government support has been provided, and the UK Freeports programme as a whole. The Pack also sets out how DLUHC will work in partnership with the Freeport on joint communications and engagement activity. New iterations of this pack will be made available as the programme – and the associated messaging and branding – evolve. The Parties should work to best endeavours in adopting the guidelines set out in the Pack and subsequent additions.
- 2.7.2. Thames Freeport should work to best endeavours to inform DLUHC of major upcoming events, public announcements, and publications, in good time, where possible. Where appropriate, DLUHC will use HMG platforms to promote and support the work of the Freeport.

## **3. Financial Arrangements**

- 3.1. The Thames Freeport Governing Body will aim to deliver the Freeport in line with the Financial Case as set out in the FBC. DLUHC recognises that the Financial Case may adjust as the Freeport develops. If significant changes are to be made to the Seed Capital or Capacity Funding, DLUHC should be notified in advance through the change process set out in Section 6.9 of this MoU.
- 3.2. The Thames Freeport Governing Body commits to the Freeport being no longer reliant on HMG Capacity Funding and self-funded by FY2026/27, enabled by Capacity Funding available from FY2021/22 through to FY2025/26, or alternative means where necessary.

### **3.3. Freeport Seed Capital and Capacity Funding**

- 3.3.1. The Seed Capital (capital grant) is part of HMG's capital investment for delivery of the Thames Freeport proposal. The Capacity Funding (revenue grant) is to support the Freeport to ensure there is sufficient organisational capacity in place for the set up and delivery of the Freeport. DLUHC expects the Freeport, overseen by the Accountable Body to use the allocated funding for activities outlined in the approved FBC attached at Appendix 1 and that the relevant evidence of spend and delivery is provided to DLUHC through the reporting requirements as set out in Section 6 of this MoU. DLUHC expects the Thames Freeport Governing Body to fully support and cooperate with the Accountable Body to deliver the Seed Capital and Capacity Funding to achieve the objectives of the Freeport.



## OFFICIAL

3.3.2. As part of its support for the Freeport, DLUHC considered the FBC for the Freeport proposal seed capital projects:

- a) Ripple Lane Nodal Yard - A new Nodal Yard at the existing Ripple Lane freight facility, just east of Barking, which will enable freight trains to be regulated in order to achieve high quality paths across London, allowing the best use of limited capacity on these busy lines, maximising the number of paths available for freight trains and providing a platform for future programmes to establish additional passenger capacity on these routes, this will ensure that HGVs are taken off of the road improving the road congestion and pollution emissions in the local area;
- b) Onside Facility - The Onside Youth Facility will be located in Tilbury and forms a key part of the first phase regeneration programme of the town. With one of its key sources of funding being through the towns fund and aligning with its ambitions, it provides a centre for young people and support specifically around job opportunities in the Freeport and Port of Tilbury;
- c) Travel and Access – improving of bus route infrastructure, road investment to reduce traffic and potential development of low carbon modal infrastructure in and around the tax sites again investing in many of the towns fund initiatives;
- d) Green Mobility - Each tax site will develop a future fuels forecourt with the purpose of introducing the infrastructure required for an EV charging, Hydrogen and low carbon fuel hub. This is to primarily accommodate the transition from HGVs using diesel to low carbon fuel. It will enable an incremental shift, introducing three different fuel alternatives for vehicles entering the ports; hydrogen, electric and HVO.
- e) Recommissioning of the Kent Avenue Bridge – This will improve access of the Ford site to the new City of London Markets location, as well as improving the site connectivity to the passenger train station at Dagenham, improving public transport accessibility to the site, and opening up an incremental pathway across the new A13 which bisects LBBD supporting even regeneration across the borough.

and agreed to allocate Seed Capital (paid as capital grant funding) up to £25,000,000.00 million and Capacity Funding (paid as revenue grant funding) up to a total of £1,000,000.00 million from FY2021/22 to FY2025/26. An indicative allocation for each year, based on the FBC and any additional information provided to DLUHC to date is set out in Table 1 below. The profile of grants should be aligned to planned delivery and spend arrangements during that FY. There will be opportunities to request changes to the proposed profile of this funding through the process referenced in Section 6.9 of this MoU. As DLUHC will need to consider the

# OFFICIAL

financial profile across the overall Freeports Programme, adjustments may not always be possible.

Table 1

| <b>Financial Year</b>              | <b>Seed Capital<br/>(capital grant) GBP Million</b> | <b>Capacity Funding<br/>(revenue grant) GBP Million</b> |
|------------------------------------|-----------------------------------------------------|---------------------------------------------------------|
| 2021/22                            | £0.00                                               | £487,500.00 (tranche 1 + 2)                             |
| 2022/23                            | £0.00                                               | £425,000.00                                             |
| 2023/24<br>(Indicative)            | £0.00                                               | £87,500.00                                              |
| 2024/25<br>(Indicative)            | £8,000,000.00                                       | £0.00                                                   |
| 2025/26<br>(Indicative)            | £17,000,000.00                                      | £0.00                                                   |
| <b>Total 2020/21 –<br/>2025/26</b> | <b>£25,000,000.00</b>                               | <b>£1,000,000.00</b>                                    |

3.3.3. The FBC sets out the details of projects comprising the delivery of the Freeport, including their: budget; Spend Profile; scope; key assumptions; outputs; timeline; key milestones; and risks. Together these project parameters set out what is expected by the Parties, and these are set out in Table 2 below.

Table 2

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Funded Projects - I</b> | <p><b>Ripple Lane Nodal Yard* (£10,000,000.00 million)</b><br/>A new Nodal Yard at the existing Ripple Lane freight facility would allow best use of limited freight capacity on the strategic line from South Essex to Barking.</p> <p><b>Onside Facility* (£2,000,000.00 million)</b><br/>A youth facility designed to encourage/inspire young people aged 8-25 years of age to take advantage of the opportunities in front of them, integrated with the Freeport skills initiatives</p> <p><b>Travel and Access* (£3,000,000.00 million)</b><br/>A programme of Active and Sustainable travel projects to increase accessibility of Freeport jobs:</p> <ul style="list-style-type: none"> <li>- Dagenham Dock Bridge</li> <li>- Tilbury Active Travel Hub</li> <li>- Transport Hub at Stanford-le-Hope Station</li> </ul> |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## OFFICIAL

|                                                |                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                | <p><b>Green Mobility* (£7,000,000.00 million)</b><br/>Creating infrastructure for green mobility (EV, hydrogen, biofuel) vehicles (including HGVs) on the tax sites.</p> <p><b>Recommissioning of the Kent Avenue Bridge* (£3,000,000.00 million)</b><br/>Road infrastructure at the Ford site to increase accessibility to public and adjacent City of London wholesale markets.</p> |
| <b>Spend Profile</b>                           | Schedule 1: Spend Profile                                                                                                                                                                                                                                                                                                                                                             |
| <b>Project Outputs &amp; Outcomes</b>          | The Thames Freeport Governing Body will deliver on the outputs and outcomes presented in the FBC, but a final, more detailed set of project outputs and outcomes will be agreed following the baselining exercise which is to be conducted at the start of the M&E as set out in Section 6 of this MoU.                                                                               |
| <b>Projected Timeline &amp; Key Milestones</b> | Appendix 1: FBC Annex C – Project Plan                                                                                                                                                                                                                                                                                                                                                |
| <b>Risk Management</b>                         | Appendix 1: FBC Annex D – Risk Register                                                                                                                                                                                                                                                                                                                                               |

- 3.3.4. As per the requirements of the English Freeports Full Business Case Guidance<sup>10</sup> (section 4.5, page 15), the Accountable Body are expected to develop and appraise project business cases for all seed capital funded projects.
- 3.3.5. The FBC identified the projects marked above with an asterisk as not fully developed at the time of signature of this MoU. The Accountable Body must take these projects through the steps outlined in section 3.3.4 prior to any seed capital funding being released for these projects. The Accountable Body must notify DLUHC once these projects have been approved locally. DLUHC may release an initial payment to the Accountable Body to support the development of these projects if requested.
- 3.3.6. By agreeing to this MoU, the Accountable Body and the Thames Freeport Governing Body commit to full compliance with the process referred to in the 3.3.4 subsection, unless changes have otherwise been mutually agreed as per the change process set out in Section 6.9 of this MoU.
- 3.3.7. Reporting and assurance on project progress shall be carried out through the Freeports Framework, as set out in Section 6 of this MoU.

### 3.4. Grant Arrangements

- 3.4.1. Seed Capital and Capacity Funding (see Table 1) will be issued to the Accountable Body as non-ringfenced grant payments under Section 31 of the Local Government Act 2003, for expenditure as set out in Table 2 above.

<sup>10</sup> <https://www.gov.uk/government/publications/english-freeports-full-business-case-guidance>

## OFFICIAL

- 3.4.2. The Accountable Body will manage grant payments to deliver and operate the Freeport, including the financial and fraud risks associated with this and upholding the principles of Managing Public Money. The Accountable Body reserve the right to enforce risk management systems or audit the Thames Freeport Governing Body where the delivery of public money pertains.
- 3.4.3. Grant payments to the Accountable Body will normally be made annually by DLUHC, towards the beginning of each Financial Year, as agreed between DLUHC and HMT. Annual amounts for each Financial Year will be agreed in principle by the Parties before the payment is made.
- 3.4.4. The Accountable Body (or Thames Freeport Governing Body, if delegated to them by agreement of the Accountable Body and Thames Freeport Governing Body) will provide quarterly project, financial, and financial risk reporting to DLUHC, demonstrating spend against the previous funding and that outputs are being delivered, including site delivery, in line with the approved FBC, as per Section 6.2.3 of this MoU. This should include updates on the development or approval of the individual business cases for any seed capital projects not locally approved prior to the approval of the FBC.
- 3.4.5. The release of subsequent Seed Capital and Capacity Funding will be subject to an annual review as outlined in the Freeports Framework and set out in Section 6 of this MoU. DLUHC reserves the right to make appropriate adjustments to payments and may withhold payments where it has significant concerns regarding the delivery of the Freeport, as per Section 7 of this MoU.
- 3.4.6. Should the Accountable Body wish to amend the annual Spend Profile at Schedule 1 of this MoU for the following Financial Year, the Accountable Body will give notice to DLUHC by the last working day of September of the previous Financial Year. Requests for amendments will be considered by DLUHC, with DLUHC's approval of such requests subject to the availability of resources. There are no guarantees that such requests will be accommodated.
- 3.4.7. The Accountable Body will consult in good faith with the Thames Freeport Governing Body on matters related to the delivery of grants to end users and strive to amicably find a mutually acceptable resolution of any differences, with due transparency and expeditiousness.

### **3.5. Procurement**

- 3.5.1. On the use of public funds, the Accountable Body will ensure:
  - a) It is compliant with all relevant regulations and best practice standards;
  - b) That value for money is achieved; and
  - c) That the Freeport objectives as set out in Section 5 are delivered.
- 3.5.2. Before releasing public funding associated with the Freeport Programme to Freeport delivery partners, the Accountable Body will assure themselves that

all relevant regulations and approved standards, and procurement controls as set out in the Commercial Case of the FBC are met, that value for money is achieved, and that the policy objectives are, in its estimation, likely to be delivered. Where not directly procuring goods or services, the Accountable Body will satisfy themselves that they are content with the approach taken.

### **3.6. Subsidy Control**

- 3.6.1. Before releasing public funding associated with the Freeport Programme to end users in the Freeport, the Body granting the subsidy will satisfy itself that doing so is compliant with UK legislation on subsidies.

### **3.7. Collected Business Rates**

- 3.7.1. The Billing Authorities, signatory to this MoU, will retain 100% of the collectible business rates on the Freeport Tax Sites in excess of a baseline to be agreed between DLUHC and the Billing Authorities.
- 3.7.2. 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 2024 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 this 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. That baseline will be fixed in the regulations.
- 3.7.3. The Billing Authorities, in collaboration with the Thames Freeport Governing Body, will use business rates retained locally from the Freeport tax sites to promote the Freeport and the Freeports Programme's objectives within the Freeport geography or wider 'travel to work area', and for activity which:
- a) Would not otherwise occur;
  - b) Requires public funding; and
  - c) Is most appropriately funded from collected business rates, rather than other public funding, as per the Freeport's Retained Business Rates Strategy.
- 3.7.4. The Billing Authorities and the Thames Freeport Governing Body will ensure the collected business rates fund will help realise the objectives of Levelling Up and Skills, Innovation and Net Zero, and Trade and Investment, including through the detailed investment plan for retained rates (the Retained Business Rates Strategy) to be provided to DLUHC following the approved FBC.

- 3.7.5. The Billing Authorities and the Thames Freeport Governing Body is accountable for ensuring that decisions relating to the use of collected business rates will be made in accordance with the processes detailed in the FBC. This includes the TFGB setting the strategic direction of the retained business rates investment fund through the development of an annual portfolio of projects. The Billing Authorities and the Thames Freeport Governing Body will ensure that a business case is developed for each project funded from retained business rates and approve these in line with local assurance procedures. This includes the prioritisation and selection of projects for funding, and where ownership of the business rates policy lies, including on how it is to be reviewed and evaluated.
- 3.7.6. As per the FBC, the Billing Authorities will allocate all rates collected on Freeport Tax Sites above the baseline set in the regulations to the Freeport, with the sole exception of a 25% counterfactual growth provision, meaning they will be subject to the decision-making process and used for the purposes outlined in the FBC.
- 3.7.7. Thurrock Council and The London Borough of Barking and Dagenham will manage the retained business rates as per the Retained Business Rates Strategy including any financial and fraud risks associated with this and upholding the principles of Managing Public Money.

## **4. Freeport Delivery**

### **4.1. Progress Milestones**

- 4.1.1. Overall Freeport delivery progress milestones will be set out by DLUHC and will be agreed with all Freeports. In cases where the overall progress milestones are not applicable, DLUHC will mutually agree the specific nature and timescales of progress milestones with the Freeport.
- 4.1.2. The Thames Freeport Governing Body is accountable to HMG for delivery of the Freeport according to agreed delivery progress milestones. Delivery progress milestones, attached at Schedule 2, will be monitored through regular check-in meetings, data reporting and contribute to the annual review process, as set out in Section 6 of this MoU.
- 4.1.3. The Thames Freeport Governing Body and DLUHC will mutually agree any changes to delivery milestones or timescales.

### **4.2. Tax Sites**

- 4.2.1. The Thames Freeport Governing Body is accountable to HMG for delivery of the Freeport tax sites at London Gateway, Ford Dagenham and Port of Tilbury including optimising development of the tax sites which:
- a) Aligns with the Freeport's target sectors (automotive manufacturing, energy and circular economy, logistics and transport, and light

## OFFICIAL

manufacturing), objectives, and vision as set out in the FBC;

- b) Would not have occurred without Freeport tax site status and is not displaced from elsewhere in the UK; and
- c) Occurs within the period for most Freeport tax reliefs.

4.2.2. To achieve this, the Thames Freeport Governing Body will:

- a) Uphold the requirements of the Tax Site Delivery and Management Policy as articulated in 1.4.3 of the Strategic Case and 4.1 Management Case of the FBC.
- b) Monitor and report to DLUHC on compliance with the aforementioned Tax Site Delivery and Management Policy;
- c) Exercise the incentives and withhold/claw back relief for ineligible tenants under the Tax Site Delivery and Management Policy, as per the mechanisms detailed in 1.4.3 of the Strategic Case and 4.1 Management Case of the FBC;
- d) Monitor and report to DLUHC on the delivery of the tax sites listed in the FBC as part of the formal data reporting requirements, as set out in Section 6 of this MoU; and
- e) Inform DLUHC of any delays to the delivery of the tax sites.

### **4.3. Customs Sites**

4.3.1. The Thames Freeport Governing Body will:

- a) Work closely and collaboratively with HMRC and prospective customs site operators to support the delivery of customs sites;
- b) Oversee, monitor, and report to DLUHC on the delivery of the P&O Ferrymasters customs site and the Project Plan at Annex C of the FBC;
- c) Inform DLUHC of any delay to the delivery of the customs sites; and
- d) Make all reasonable efforts to deliver the customs sites to the standards and to the timescales as set out in the FBC. More information on these requirements can be found in section 6.5.3 of

the English Freeports Full Business Case Guidance<sup>11</sup> This also sets out how the Thames Freeport Governing Body's responsibilities sit alongside HMRC's ongoing processes to audit Customs Site Operator compliance.

- e) Make all reasonable efforts to ensure that each customs site always has a fully functioning Customs Site Operator and will act quickly to ensure that a replacement is appointed in as short a time as possible if for any reason this not the case.

## 5. Strategic Delivery

- 5.1. As the HMG body accountable for leading the delivery of the Freeports Programme, DLUHC will provide the Thames Freeport Governing Body with support to coordinate with HMG on strategic areas of Freeport delivery, including with: DSIT, DESNZ, DFE, DWP and DBT.
- 5.2. DLUHC will facilitate across HMG to enable a coordinated approach to the support, guidance and interaction between HMG and Freeports, to ensure support is targeted and appropriate to the needs of each Freeport. The support offered will be tailored to the needs of each Freeport and will include, but is not limited to, capacity support, technical assistance, coordinating the resolution of common or external issues faced by Freeports and working collaboratively to act on common opportunities or interests for Freeports.

### 5.3. Net Zero

- 5.3.1. The Thames Freeport Governing Body commits to owning, updating and devoting appropriate resources to the delivery of the Net Zero strategy at 1g in the Strategic Case of the FBC, including by:
  - a) Setting the baseline – 3 distinct scopes have been identified for inclusion in the baseline
    - Scope 1 – This scope covers the direct GHG (greenhouse gas) emission that a company makes directly in managing its business such as plant operations and operations of their respective sites.
    - Scope 2 – This scope covers the indirect emissions mainly related to the energy it buys to run its business which is being produced by a third party.
    - Scope 3 – This scope covers all the areas that the private sector partner is indirectly responsible for up and down its value chain.

---

<sup>11</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1072199/English\\_Freeports\\_Guidance\\_-\\_Full\\_Business\\_Case.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1072199/English_Freeports_Guidance_-_Full_Business_Case.pdf)



- b) Measuring current emissions - understanding the current position of emission for each of the sites as well as individual commitments
- c) Setting the glide-path – focussing around the thematic areas of Construction, Operations, Transport and Power Source, identifying when each of the sites and therefore Thames Freeport as a whole will meet defined standards linked to lower emissions
- d) Monitoring, evaluation, and governance – setting the key indicators, targets and review periods for monitoring performance against the glide-path, as well who has responsibility for reporting and delivering objectives. This will include a designated individual overseeing the Net Zero policy at board level and the Innovation and Net Zero subcommittee of the main board.

5.3.2. The Thames Freeport Governing Body will be supported by DESNZ's Local Net Zero team which will provide a first point of contact and manage support for the delivery of the Freeport's Net Zero plans. This support may be through ongoing engagement, providing guidance and advice on Net Zero topics and will be either with officials across HMG or through the appropriate Local Net Zero Hub.

#### **5.4. Innovation**

- 5.4.1. The Thames Freeport Governing Body commits to owning, updating and devoting appropriate resources to the delivery of the Innovation strategy at Annex L of the FBC, including:
- a) Short- to medium-term focus on the following areas:
    - Green Mobility – and the potential to accelerate multi decarbonised fuel for multi users including Hydrogen
    - River Freight – maximising the use of the Thames to transport light freight from the ports direct to market and consumer
    - Smart Freeport – extending the use of technology to support advanced logistics and transport across the Freeport outer boundary
  - b) The recruitment of an 'Innovation Ecosystem Manager' to establish and Innovation Hub, bringing together key stakeholders.

○

- c) The Innovation Hub will also identify and develop pilots of new technologies across the Freeport and the wider Thames Estuary, catalyse greater public and private investment in R&D, and maximise utilisation of the Freeport Regulation Engagement Network (FREN).

- 5.4.2. Innovate UK's London and the South East Regional Manager will attend the Thames Freeport Innovation and Net Zero subcommittee on the Freeport's request to provide advice on the development and implementation of the Freeport's innovation strategy, informed by their in-depth understanding of the region's innovation ecosystems. The Regional Manager will help upskill the Innovation Ecosystem Manager to ensure they are aware of available funding opportunities and the existing support on offer in the region to help businesses innovate.
- 5.4.3. DSIT, alongside the Innovate UK Regional Manager for the Southwest, will actively promote relevant innovation support and funding schemes to the Freeport with advice on how to apply. DSIT will support DLUHC and the Freeport to develop targeted communications aimed at promoting the Freeport as an attractive prospect for innovative businesses. DSIT, alongside DLUHC, will promote Freeports across HMG to raise awareness of the benefits Freeports have to offer for research, development and innovation focussed activity. DSIT will work with other government departments to explore potential opportunities to expand schemes, and pilot new initiatives within Freeports
- 5.4.4. The FREN, as part of HMG's offer on innovation, will engage with the Freeport regularly to review progress of engagement with the FREN to address regulatory barriers to innovation. Where criteria are met and resource available, it will support the Freeport to address regulatory barriers in their innovation endeavours and help identify challenges in doing so. It will support the Freeport to address these barriers, including through establishing connections with regulators and other relevant stakeholders to explore approaches.
- 5.4.5. The Freeport will support the FREN by identifying relevant regulatory barriers and potential opportunities relating to their innovation objectives. Where appropriate, the Freeport will work with relevant regulators, businesses and partners through the FREN to advance this, including

through regular sharing of knowledge, information and lessons learned.

## **5.5. Regeneration and Levelling Up**

- 5.5.1. The Thames Freeport Governing Body commits to reasonable endeavours in owning, updating and devoting appropriate resources to support the delivery of Regeneration and Levelling Up objectives.
- 5.5.2. DLUHC will provide Levelling Up support to Freeports by:
- a) supporting Freeports to develop their business rate investment schemes - including exploring options for borrowing against future business rates income;
  - b) supporting Freeports to develop their planning strategy and explore optimal planning tools and innovative progression routes;
  - c) facilitating a joined-up conversation between the Freeport and UK government about regeneration and placemaking;
  - d) supporting Freeports to implement custom incentives in the initial designated sites;
  - e) facilitating monitoring and reporting of site delivery progress; and
  - f) providing strategic advice and support to overcome specific challenges in Freeport delivery, if they arise.
- 5.5.3. While Local Planning Authorities (LPAs) retain their statutory powers and responsibilities with regards to planning, the Thames Freeport Governing Body is accountable to HMG for supporting tax site LPAs to create a supportive planning environment and holding them to the commitments at 5.5.4. This includes:
- a) Agreeing planning delivery goals and resourcing commitments with Freeport tax site LPAs and establishing the necessary local governance and risk management structures to oversee delivery of these goals and manage planning risks.
  - b) Providing Freeport tax site LPAs with the necessary (financial or other) support to deliver these targets, as agreed between the Thames Freeport Governing Body and the LPAs.
  - c) Engaging and supporting Freeport tax site LPAs to engage with UK government planning support.
  - d) Reporting quarterly to DLUHC as per Section 6.3.3.
- 5.5.4. While LPAs retain their statutory powers and responsibilities with regards to planning, the Billing Authorities, where they also function as Freeport tax

site LPAs, commit to:

- a) Using reasonable and appropriate endeavours to deliver a planning environment that supports appropriate investment on Freeport tax sites, including by exploring innovative uses of planning tools, and learning from best practice and from other LPAs and sharing expertise and experience with other Freeport tax site LPAs.
- b) Appropriately resourcing this work and agreeing planning delivery goals, and necessary support to deliver them, with the Thames Freeport Governing Body.

## **5.6. Skills and Workforce Development**

5.6.1. The Thames Governing Body commits to owning, updating and devoting appropriate resources to the delivery of the Skills and Workforce Development strategy at Annex N of the FBC, including the following short to medium-term projects:

- a) Establishing a new generation Technical University in South Essex
- b) Expanding the South East Institute of Technology
- c) Creating a Logistics Academy to increase the curriculum offer in this field
- d) Deploying a targeted programme of work in deprived Communities to boost skills where inequality has previously held back opportunities to jobs and access to work, addressing the root causes of deprivation as well as the symptoms
- e) Driving multi-skilling and up-skilling
- f) Promoting the use of apprenticeships
- g) Creating the Thames Freeport Skills Fund, which the partners have committed to deliver and extend beyond 2026 on a reasonable endeavours basis and subject to the Freeport Chair's assessment of ongoing need and efficacy
- h) Creating the Thames Freeport Skills Accelerator
- i) Ensuring a Skills Champion sits on the Freeport board, to ensure the skills strategy is turned into delivery, that meeting skills requirements is promoted across all Freeport activity, to bring challenge, learning and best practise and chair the Skills, Levelling up and Regeneration subcommittee
- j) Recruiting a Skills Manager to manage the delivery of the Freeport's Skills and Workforce Development Strategy

5.6.2. Government will work with Freeports to deliver their skills delivery ambitions.

## **5.7. Trade and Investment**

## OFFICIAL

- 5.7.1. The Thames Governing Body commits to owning, updating and devoting appropriate resources to the delivery of the Trade and Investment Strategy at Annex K of the FBC, including by:
- a) Researching and refining the USPs of the Thames Freeport and focus on key target sectors that can be attracted to the Estuary
  - b) Defining the assessment criteria for any prospective customer and determine preferred profiles of potential investors
  - c) Evaluating the existing customer base of the Freeport partners to identify specific investment opportunities and develop a benchmarked offering
  - d) Developing specific tailored and unique value propositions for each of the targeted companies
  - e) Engaging specialists lead generation resources to identify and reach potential investors not currently known to the Freeport, based on strict targeting criteria
  - f) Developing and resourcing a Marketing and Communications platform that will provide support to, and raise awareness of, the Thames Freeport opportunity
  - g) Utilising this platform to target relevant international events to increase global awareness
- 5.7.2. The Freeport is responsible for building and maintaining their own trade and investment capabilities that should be able to operate independently of DBT to support the end-to-end investment journey and support exporters, while drawing upon DBT's expertise and influence where this is additive. The Freeport is responsible for developing and executing their investment strategy and for supporting site-specific projects, while keeping DBT informed of their activity.
- 5.7.3. DBT's support for the delivery of the Trade and Investment Strategy will be guided by the requirements set out in Annex K of the FBC. All DBT services relevant to the delivery of the Freeport's Trade and Investment Strategy will be extended to the Freeport, within existing budgetary constraints.
- 5.7.4. DBT will maintain responsibility for articulating and promoting the UK Freeports offer globally. DBT will also support Thames Freeport to articulate and promote the proposition specific to Thames Freeport to target export and investment markets. DBT's activities will provide additionality to Thames Freeport's own independent promotional strategy and activities and

## OFFICIAL

will neither limit nor replace them.

### **6. Performance Management, Assurance and Evaluation**

- 6.1. DLUHC will carry out ongoing monitoring of Freeports to assist with delivery, assure the use of public funds and evaluate the impact of the programme. DLUHC has issued:
  - 6.1.1. The Freeports Framework, attached at Schedule 4 to this MoU, which sets out the reporting requirements Freeports are expected to adhere to enable these processes to take place; and
  - 6.1.2. Monitoring and Evaluation Indicators and Guidance, attached at Schedule 5 to assist Freeports with accurately collecting primary data needed as part of the ongoing monitoring and evaluation and to provide information on the overall evaluation approach.
- 6.2. The Thames Freeport Governing Body and the Accountable Body will collaborate with DLUHC on the processes and reporting requirements set out in the Freeports Framework. This includes committing to:
  - 6.2.1. Monthly check-ins with the DLUHC Freeport Lead to provide updates on Freeport delivery and operations progress, risk, and governance;
  - 6.2.2. Granting observer status to the DLUHC Freeport Lead at the Thames Freeport Governing Body meetings and inviting other HMG departments on a case-by-case basis where necessary;
  - 6.2.3. Reporting quarterly to update in such a format as DLUHC reasonably requires on Freeport site delivery and capital seed funded projects progress; the Project Plan and Delivery Milestones (FBC Annex C, at Appendix 1); Spend Profile (Schedule 1) and any live issues and proposed mitigations. These quarterly updates will have particular focus on tax site and infrastructure delivery progress;
  - 6.2.4. Data reporting formally twice a year on inputs, outputs, and outcomes as outlined in Schedule 5, Monitoring and Evaluation Indicators and Guidance and
  - 6.2.5. Participating in a formal annual conversation with HMG to frame the quantitative evidence provided as per Section 6.2.3 and 6.2.4 and provide qualitative updates on the status and effectiveness of the delivery of the strategies of the Freeport on or around such date as DLUHC shall propose.
- 6.3. DLUHC will carry out an annual performance and assurance review of the Freeport's operations, which will be informed by information and data provided

through the processes detailed in the Freeports Framework and in this section. This review will inform decisions with regards to any improvement plan or intervention, including the release of future benefits, as per section 7.3 of this MoU. Where non-delivery or non-compliance is identified, HMG will always as a first resort work with the Freeport with the aim of resolution as per section 7.3.1.

- 6.4. The Thames Freeport Governing Body will be responsible for coordinating the primary level data collection from end users of the Freeport with regards to reporting requirements set out in this MoU including Schedule 4: Freeports Performance Management, Security Audit and Assurance Framework and Schedule 5: Monitoring and Evaluation Indicators and Guidance. Freeports should work to best endeavours to agree data sharing agreements with end users of the Freeport to ensure the data required is provided. DLUHC and the external M&E provider shall assist the Thames Freeport Governing Body and if required the Accountable Body where possible on the required primary level data collection process and requirements, and the Parties will cooperate in full to satisfy these requirements.
- 6.5. DLUHC will lead the programme-level evaluation for Freeports, which will include a process, impact and value for money evaluation. The Thames Freeport Governing Body and the Accountable Body will not be required to lead any wider data collection for the evaluation beyond what is referenced in Section 6, though are expected to assist DLUHC or external suppliers where deemed appropriate by DLUHC for monitoring and evaluation purposes. This may involve working to reasonable endeavours and where appropriate to support site access or arranging interviews with wider Freeport stakeholders.
- 6.6. DLUHC reserves the right to quality assure the data provided and conduct Freeport site visits, Thames Freeport Governing Body office and Accountable Body office and records verifications within reasonable endeavours. This may include spot checks on governance structures and processes related to the collection, storage and utilisation of said data. DLUHC will aim to notify the Thames Freeport Governing Body and the Accountable Body within a reasonable timeframe to allow for resource planning if a visit is required, but depending on the nature of the visit, this may be at short notice.
- 6.7. In line with the above requirements, the Thames Freeport Governing Body will endeavour to promptly share information at appropriate times, as and when requested by DLUHC. The Accountable Body will endeavour to promptly share the required information most notably on HMG funding to the Thames Freeport Governing Body to allow for a timely return of the required data.
- 6.8. DLUHC reserves the right to publish relevant, general and/or aggregated data from the Freeport's reporting discussed herein and use it to inform

public statements to communicate the outputs, outcomes, and impact of the Freeports Programme. Where this may relate to commercially sensitive information, DLUHC will work closely with the Thames Freeport Governing Body to first determine if the data can be public and then if so, determine appropriate handling measures with respect to the use of such data, for example aggregation or anonymisation of data sets to manage commercially sensitive data. The Thames Freeport Governing Body will be consulted and notified in advance of any proposed publications by DLUHC.

- 6.9. The Thames Freeport Governing Body will notify DLUHC of any significant proposed changes to the approved FBC, in line with the parameters and process set out in the Freeports Framework. If relevant, this proposed change shall follow the formal change request process set out in the Freeports Framework. DLUHC will work to best endeavours to respond to formal change requests within a reasonable timeframe that will not inhibit the delivery of the Freeport.

## **7. Ongoing Management**

### **7.1. Duration and Review**

- 7.1.1. This MoU covers the duration of Freeports being a public policy and is subject to annual review by the Parties through the annual review process. This may result in amendments or extensions to this MoU by mutual agreement in writing, for example to manage the grant profile, ongoing tax reliefs and collected business rates, leading to this document being replaced by an updated version. Amendments to this MoU may only be made by mutual agreement in writing between the Parties.
- 7.1.2. The MoU will be formally reviewed prior to 31 March 2026 to consider the end of the HMG grant payments and delivery of the seed capital funded projects.
- 7.1.3. This MoU will come into effect upon signature by the Parties and will remain in effect until it is terminated by the Parties by full mutual agreement in writing. DLUHC reserves the right to exercise the options set out in Section 7.3 of this MoU in the event of a proposed early termination by the Parties, where appropriate.

### **7.2. Resolution of disputes**

- 7.2.1. In the event of a dispute arising as to the interpretation or application of this MoU, the Parties will commit to discussion aimed at resolution.
- 7.2.2. This MoU is not legally enforceable. It describes the understanding between the Parties for delivery of the Freeport. The Parties to this MoU are responsible for ensuring that they have the necessary systems and



appropriate resources in place to comply fully with the requirements of this MoU.

- 7.2.3. The Parties agree to all due, reasonable, and appropriate transparency, open book working and a duty of good faith regarding all matters relating to the Freeport, and this MoU.

### **7.3. Managing poor performance**

- 7.3.1. Freeport delivery will be managed through the processes set out in the Freeports Framework. Should an issue arise, DLUHC will first attempt to resolve it in collaboration with the Thames Freeport Governing Body and if applicable the Accountable Body. For persistent issues which are recorded at the annual review or are the result of other assurance activities DLUHC will seek to agree a tailored improvement plan with the Thames Freeport Governing Body and the Accountable Body as outlined in the Freeports Framework.
- 7.3.2. DLUHC's support for the Freeport is contingent on compliance with this MoU, Appendixes', and Schedules. DLUHC support of the Freeport may be withdrawn where there are significant concerns with the Freeport, for example including but not limited to the following scenarios where there is:
- a) Consistently poor progress against agreed delivery commitments and/ or limited commitment to full and effective Freeport delivery;
  - b) Evidence of the misuse of public funds;
  - c) An inability to manage the governance of potential security risks and illicit activity associated with the Freeport;
  - d) Non-compliance with commitments on retained business rates and/or tax site delivery;
  - e) Failure to comply with the minimum requirements of a Freeport (for example, failing to establish an operational customs site), as set out in HMG Freeports policy documentation;
  - f) Activity or negligence leading to the risk of exposure to the wider Freeports Programme to reputational risk (for example, through failures of governance).
- 7.3.3. The Thames Freeport Governing Body, Accountable Body and Billing Authorities accept and agree to all the terms having made full and proper enquiry before agreeing to the statements contained in this MoU.

## OFFICIAL

- 7.3.4. DLUHC will not resort to performance measures as a first response to address concerns relating to Freeport delivery, except in the high-risk areas of continued concern. Where appropriate, HMG will consider:
- a) Engagement with relevant government officials (for example, additional bespoke meeting to understand and rectify problems)
  - b) Increased frequency and/or depth of assurance testing
  - c) Delay or reduction of capital seed funding and/ or revenue capacity funding: to ensure probity of public funds, funding may be partially or fully withheld until improvements in the Freeport are made. The specific amount and type of funding withheld will depend on the circumstances of the Freeport and the specific concerns which need to be addressed. As part of this process, consideration will be given to the impact that withholding funding may have on the delivery of Freeport projects and operations alongside the risk posed to DLUHC, OGDs and the Accounting Officer of making payments
  - d) Withholding or delaying government support (including but not limited to investment promotion and the use of government branding)
  - e) Exclusion from future government benefits (for example, support in accessing future funding)
  - f) Revoking current policy levers and benefits

## **8. Freedom of Information**

- 8.1. Each party will provide to the other parties any information in its possession that may be reasonably requested by the other parties, subject to any confidentiality constraints, safeguards and statutory rules on disclosure. Each party will consult the other parties before making to any third party any significant disclosures of information under the Freedom of Information Act 2000 and/or the Environmental Information Regulations 2004 in relation to this MoU.
- 8.2. The requirements in this paragraph 8 and paragraph 9 (Confidential Information) below are subject to any Government requirements as to transparency which may apply to either or all Parties from time to time.

## **9. Confidential Information**

- 9.1. Each party understands and acknowledges that it may receive or become aware of Confidential or Commercially Sensitive Information of the other parties (which may include information where the other party owes a duty of

confidence to a third party) whether in the course of performance of the key commitments as set out in the FBC or otherwise.

- 9.2. Except to the extent set out in this paragraph 9 or where disclosure is expressly permitted elsewhere in this MoU (see clause 6.8), each party shall treat all the other parties Confidential or Commercially Sensitive Information as confidential and safeguard it accordingly (which shall include complying with any protective markings on documents and instructions supplied by the other parties). In particular, none of the parties will do anything that may place the other parties in breach of a duty of confidence owed to a third party. A party receiving Confidential or Commercially Sensitive information shall not disclose Confidential or Commercially Sensitive Information to any non-Crown bodies without the prior consent of the other parties.
- 9.3. The obligations of confidentiality in this paragraph 9 shall continue to apply notwithstanding termination of this MoU.

## **10. UK Government Branding**

- 10.1. The Accountable Body and Billing Authorities shall at all times during and following the end of the Funding Period:
- 10.1.1. comply with requirements of the Branding Manual in relation to the Funded Activities;
  - 10.1.2. cease use of the Funded by UK Government logo in respect of the Funded Activities on demand if directed to do so by the Minister of State;
  - 10.1.3. ensure that any grant funding agreement entered into by the Accountable Body on behalf of EMF with any third party in receipt of the grant funding, shall require that third party to:
    - a) comply with requirements of the Branding Manual in relation to the Funded Activities;
    - b) cease use of the Funded by UK Government logo in respect of the Funded Activities on demand if directed to do so by the Minister of State<sup>12</sup>.
- 10.2. Branding Manual means the document titled 'Funded by UK Government branding manual' first published by the Cabinet Office in November 2022 and including any subsequent edits from time to time.

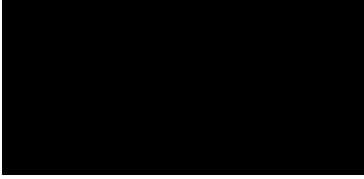
---

<sup>12</sup> <https://gcs.civilservice.gov.uk/guidance/marketing/branding-guidelines/>

OFFICIAL

**Signed by the Chair on behalf of the Thames Freeport Governing Body:**

**Name:**



**Date:** 15/02/2024

**Signed on Behalf of the Thurrock Council, the Accountable Body:**

**Date:** 16/02/2024

**Signed on Behalf of the Billing Authority Thurrock Council:**

**Date:** 16/02/2024

**Signed on Behalf of the Billing Authority London Borough of Barking and Dagenham:**

**Name:**

**Date:** 08/02/2024

**Signed on Behalf of the Secretary of State of for Levelling Up, Housing and Communities:**

**Name:**

**Date:** 20/02/2024