



HM Government

# English Freeports Full Business Case Guidance

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**Please note this document specifically and exclusively details policy and processes for Freeports in England. Analogous guidance for Scotland, Wales, and/or Northern Ireland may be issued as appropriate.**

# 1. Overview

- 1.1. Building on the Setup Phase and Delivery Model Guidance, this document sets out what prospective Freeports will be required to demonstrate at the Full Business Case (FBC) stage. That guidance articulated the purpose of the Business Case Process as a whole and the required content of the Outline Business Case (OBC), on which the FBC should firmly build. Therefore, this document should be read in conjunction with it.
- 1.2. As with the OBC, the primary purpose of the FBC is to ensure that prospective Freeports have duly considered all of the factors critical to successful delivery of a Freeport. However, it is also the mechanism through which prospective Freeports must provide final assurance to the Government that public funds granted to the Freeport will be effectively managed.
- 1.3. Through the FBC, prospective Freeports must therefore:
  - Address **all** OBC actions. This includes critical actions, which must be completed prior to OBC approval and will be communicated as OBC assessment progresses, and substantive actions, which can be addressed in the FBC and will be communicated in the OBC approval letter.
  - Update the content of the OBC, to ensure the most up-to-date and detailed information available is provided throughout. The FBC should not substantially depart from the OBC and changes should be discussed with prospective Freeports' DLUHC lead contacts ahead of submission.
  - Provide some information that was not required at the OBC stage. This is detailed in full below.
- 1.4. The FBC should therefore be an iteration of the OBC, rather than a distinct document. It should be the definitive source of all information requested as part of the Business Case Process and so should contain all the content of the OBC – updated and amended as required by this guidance and government feedback – as well as the additional content required at the FBC stage (set out below). In this way, and by employing plain, jargon-free English, the FBC should provide a full picture of the proposal that is intelligible without prior knowledge.
- 1.5. FBC formatting should be clear, user-friendly, and accessible to those with disabilities and/or impairments. Sections should be numbered using the scheme in Chapter 8.

- 1.6. The FBC should be no more than **80 pages**, excluding annexes. Prospective Freeports are encouraged to adhere to the 80-page limit but will not be penalised for slightly exceeding this. It is important that all information requested in this document and the Setup Phase and Delivery Model Guidance is provided. Key information should be provided in the main body of the FBC; however, prospective Freeports may supply additional annexes containing detail such as tables of figures or supporting evidence and documents.
- 1.7. Individual cases of the FBC do not have page limits, but the Government suggests the following approximate lengths for each case: Strategic Case – 30 pages; Economic Case – 15 pages; Financial Case – 10 pages; Commercial Case – 10 pages; and Management Case – 15 pages. Prospective Freeports are free to distribute the 80 pages across the five cases as they see fit, provided all the requirements of the FBC are met.
- 1.8. The Government will write to prospective Freeports once the assessment of their OBC is complete confirming:
- (1) Whether it has been approved and any conditions on its approval and all actions that must be completed, either at the FBC stage or prior to OBC approval.
  - (2) The Freeport's indicative seed capital allocation – the availability and exact level of funding will not be confirmed until the FBC process is concluded.
- 1.9. **With the exception of the options analysis within the Economic Case, which should examine the various options considered (see Section 3.2 below), the FBC should be developed on the basis of this indicative allocation of seed funding.**
- 1.10. Tax and customs sites can become operational before a Freeport's FBC is approved; however, all Freeports will need to have an FBC approved and will not be able to access seed capital or business rates growth retention until this has happened. Before the Government can approve its FBC, Freeports will require at least one customs site to be authorised and designated.

1.11. This guidance sets out: the key requirements at the FBC stage, over and above what is requested as part of the OBC, for each of the 5 Cases in Chapters 2-6; the FBC submission and assessment processes and the support available to prospective Freeports as they develop their FBCs in Chapters 7 and 9; and, in summary, all content that must be submitted as part of the FBC in Chapter 8.

## 2. The Strategic Case

- 2.1. The role of the Strategic Case is to set out the context and vision for the Freeport. These are fundamental questions that should be answered by the OBC and answers to them are not expected to change at the FBC stage, except where OBC feedback necessitates this.
- 2.2. However, it is crucial for FBC approval that all aspects of the Strategic Case have been addressed in full detail. The summary of FBC requirements at Chapter 8 therefore reiterates what was requested in the Strategic Case at the OBC stage.
- 2.3. The Strategic Case has been structured to mirror a logic model by asking for: (1) Inputs and context (Sections 1a, 1b, and 1c) – an overview of the Freeport geography, why a Freeport is needed, and how it will exploit local strengths and mitigate weaknesses. (2) Activity (Section 1d) – a detailed statement of what will be done, encompassing all Freeport levers and wider activity. (3) Outputs and outcomes (Section 1e) – what the activity will achieve, how, and how this connects to the policy’s priority outcomes and objectives. **It is crucial that all three stages of the logic model, and the links between them, are adequately captured in the Strategic Case.**
- 2.4. The FBC Strategic Case should therefore focus on updating the content of – and addressing feedback on – the OBC as required and providing further detail wherever possible or needed. There are, however, two levers about which significant additional information is needed at the FBC stage.
- 2.5. **Retained Business Rates**
- 2.5.1. Local authorities will be permitted to retain the growth in non-domestic rating income in the Freeport tax sites, guaranteed for 25 years.
- 2.5.2. This income must be used to promote the Freeport’s objectives within the Freeport geography or wider Travel to Work Area and for activity that: (1) would not otherwise occur; (2) demonstrably requires *public* funding (e.g., owing to market failures); and (3) is most appropriately funded from retained business rates, rather than other public funding pots.
- 2.5.3. The Government expects income from retained business rates growth to primarily be used to fund the following:

- Freeport operating costs.
- Physical and/or digital infrastructure that will facilitate investment in the Freeport area.
- Land assembly and/or site remediation works that will facilitate investment in the Freeport area.
- Skills and workforce development.
- Innovation initiatives.
- Regeneration and/or the development of 'live work play' assets within the Freeport Travel to Work Area.
- Mitigating any displacement and/or negative externalities associated with the Freeport.
- Activity in support of the Freeport's Net Zero ambitions.
- The delivery of Freeport-specific planning measures (e.g., an LDO).

2.5.4. Alternative proposed uses of retained business rates should be clearly articulated and justified in reference to the Freeport's objectives in the FBC.

2.5.5. At the FBC stage, prospective Freeports will need to elaborate on the high-level plan provided in the OBC and set out at Section 1di3 a policy for using income from retained business rates. This must cover:

#### **Strategic Focus**

- The objectives of the retained business rates fund and the rationale behind them, including how they relate to the objectives of the Freeport and the Freeports programme more widely.
- The criteria projects must meet to be eligible for funding and how these uphold the requirements of 2.5.2 above and align with the objectives of the retained business rates fund.
- Workstreams and, wherever possible, specific projects that will be funded and how these meet the requirements of 2.5.2 above and align with the objectives of the retained business rates fund.

#### **Financial Modelling**

- The overall expected value of retained business rates profiled over time and an indicative allocation between workstreams and, where possible, specific projects. This should read across to the detailed financial profile at Section 3a of the Financial Case and the project pipeline set out at Section 1diii.
- Any planned borrowing against future income from retained rates through Tax Increment Financing (TIF). This should make clear why borrowing is needed, when it will occur, who will borrow and from whom, and should read across to a more detailed articulation of how borrowing will take place in the Financial Case (Section 3a) and Commercial Case (Section 4g).

### **Governance**

- How decisions regarding the use of retained rates will be taken and the process for prioritising and selecting projects for funding. This must demonstrate that these arrangements will best equip the Freeport to realise its objectives. This should read across the Management Case.
- Where ownership of the business rates policy lies and including how and when it will be reviewed and evaluated. This should make clear how the Freeport governing body will ensure delivery of the policy. This should read across to the Management Case.

2.5.6. Section 1e of the FBC Strategic Case should set out the outputs (quantified, where possible) the proposed use of retained business rates will generate and how these will help realise the Freeport's outcomes and objectives.

2.5.7. At Section 3a of the FBC Financial Case, prospective Freeports will need to provide modelling of expected income from retained business rates growth, planned borrowing and associated costs, and how income/borrowed capital will be spent.

2.5.8. Prospective Freeports will also need to set out their approach to any TIF borrowing in Section 4e of the FBC Commercial Case.

2.5.9. All prospective Freeports will need to agree a Memorandum of Understanding (MoU) with DLUHC on the use of retained business rates (covering the points at 2.5.5 and in line with the FBC) before proposed tax sites can be designated for business rates retention purposes. This MoU should be



agreed with DLUHC following FBC submission and will set out the process for agreeing variations to its terms with DLUHC as required and appropriate.

## 2.6. Customs Sites

2.6.1. Since the OBC stage, HMRC has published guidance on [the responsibilities of Freeport customs site operators](#), [the customs site authorisation process](#), and how customs sites will operate.<sup>1</sup>

2.6.2. Prospective Freeports should now ensure that at least one prospective customs site operator (CSO) has completed HMRC's [registration of interest form](#) and begun conversations with HMRC about getting their site(s) approved; this is a condition of tax site approval.

2.6.3. Prospective Freeports should note that at least one customs site will need to be authorised and designated by HMRC before the FBC can be approved.

2.6.4. For a customs site to be approved, HMRC must be satisfied that the conditions set by them have been met by the applicant CSO. These conditions include the site having provisions for the necessary infrastructure (e.g., IT systems), meeting security standards (e.g., perimeter security and controlled access), and complying with reporting requirements. [Further guidance](#) on this is available. The time taken for customs sites to be authorised and designated will depend on how quickly the applicant CSO can successfully meet the requirements and having the necessary measures put in place. If customs sites are not ready in time, this may delay the FBC approval timescales.

2.6.5. Customs sites will not be authorised unless they demonstrate an economic need for the authorisation, for example by providing evidence of businesses wanting to operate in the customs site and make use of the customs procedure available within a reasonable timeframe.

2.6.6. In line with the Government's levelling up agenda and the policy's regeneration objectives, Freeports are encouraged to use their customs sites to extend the customs benefits available in

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<sup>1</sup> <https://www.gov.uk/guidance/get-your-business-ready-to-use-a-freeport-customs-site>  
<https://www.gov.uk/guidance/apply-to-use-the-freeport-customs-special-procedure>  
<https://www.gov.uk/guidance/declaring-goods-and-paying-tax-when-using-a-freeport-customs-site>

Freeport customs sites (e.g., duty suspension and simpler procedures) to businesses that have not previously been able to access these trade facilitations or engage in international trade at all.

2.6.7. The Government expects Freeports to aim to deliver all of the customs sites outlined in the original Freeport bid as soon as possible and to set out timescales for the delivery of each site in the FBC. However, HMG appreciates that Freeports' strategic and commercial circumstances may evolve and that plans (as articulated in the original Freeport bid or in the FBC) may need to change accordingly. The FBC should explain and justify any reduction in the number or size of customs sites or delays to delivery as compared to the original bid. Where a site cannot currently be delivered, the FBC should set out what conditions would need to be met for this to become possible.

2.6.8. In the Strategic Case of the FBC, prospective Freeports will therefore need to:

- Confirm the customs sites that are being proposed for designation, their operator(s), and the timescales for delivering each at Section 1di4. Slower timescales for (and any conditions to be met ahead of) delivery should be clearly explained and justified, as should any variations from the original bid. This should read across to the delivery plan and key milestones provided at Section 5e of the Management Case.
- The expected kinds of end user (sector and size) for each customs site and how the Freeports customs offer will attract them at Section 1di4.
- The outputs the proposed customs sites will produce and how these will help the Freeport realise its objectives at Section 1e.

2.6.9. Prospective Freeports will be required to set out: the expected benefits of the customs sites in the Economic Case; how customs site delivery, including associated infrastructure, will be funded in the Financial Case; and how security risks associated with customs sites will be managed in the Management Case.

2.6.10. Where circumstances change following FBC submission and these are likely to lead to a reduction number or size of customs sites or delays to delivery, Freeports should engage their DLUHC Lead Contact in the first instance.

2.6.11. Prospective Freeports are welcome to propose customs sites additional to those included in the original bid in their FBCs or following FBC submission. To propose an additional customs site following FBC submission, Freeports should contact their DLUHC Lead Contact. The rationale for further sites will be assessed on a case-by-case basis and further sites will need to complete the HMRC Freeport customs site approval process.

### 3. The Economic Case

3.1 The purpose of the Economic Case is to demonstrate how the Freeport proposal will improve the economic welfare of the UK.

3.2 At the point of OBC approval, prospective Freeports will have an indicative seed capital allocation confirmed. The FBC should be developed on the basis of that allocation; however, the Economic Case should set out in detail 3-4 different options (including one corresponding to the indicative allocation) for deploying the seed capital funding and identify a preferred option based on an appraisal of Value for Money (VfM), wider (economic, social, and equality) impacts, and risk. This is to demonstrate how the indicative allocation compares to other options for intervention, not because the allocation is expected to change based on the FBC options analysis.

3.3 The options considered should include:

- A 'do nothing' scenario, setting out the counterfactual baseline of what would happen given no Freeport activity.
- A medium funding ask (<£25m)
- A 'minimum viable' option, with a reduced funding ask.
- (In exceptional circumstances) a higher funding ask (>£25m)

3.4 Each option should be set out in detail at Section 2bi of the FBC, including the scope of work, delivery mechanism, delivery partners, delivery timescales, and funding options.

3.5 This must also include an analysis of the benefits associated with Freeport activity beyond the use of seed capital and how the different options for deploying that funding will impact them. At a minimum, the following should be provided for each option:

#### **Quantitative Assessment**

- The expected value of the tax benefits to the businesses operating on the proposed tax sites (per site). This should be based on an analysis of expected commercial take-up of the tax and customs sites (including firms on site, sectors on site, expected staffing levels, expected investment).
- The expected impact of each option on the creation of additional jobs in the Freeport Travel to Work Area, investment into the Freeport area, and trade throughput in the Freeport area.

- The expected value of the customs benefits to businesses operating on the proposed customs sites (per site).

### **Qualitative Assessment**

- Contributions to Net Zero and other environmental impacts.
- Innovation impacts.
- The extent to which benefits are additional or displaced from another area
- The impact of the tax incentives, customs measures, and seed capital investments on the viability of investment in the Freeport tax and customs sites
- Deadweight loss

3.6 By sizing the benefits available to businesses in the Freeport's tax and customs sites, these analyses serve to demonstrate how the tax and customs levers will address marginal viability gaps and bring forward investment that would not have otherwise occur. They are, therefore, crucial in substantiating the overall Freeport logic model set out in the Strategic Case.

3.7 Support with modelling tax benefits is available to prospective Freeports from expert economists at the Freeport Hub and methodological guidance for FBC Economic Cases is available from the Hub.

3.8 The options appraisal should consider VfM in line with Green Book guidance and the Setup Phase and Delivery Model Guidance (Section 2bii), benefits that cannot be easily quantified, and at a minimum the following wider benefits:

- Wider economic impacts. This should include showing how each investment proposal facilitates and enables the impact of the wider Freeport proposal, as set out in the Strategic Case, including:
  - By addressing displacement/providing additionality – to what extent does the option bring new jobs and investment to the Freeport location versus displacing it from another location?
  - By promoting agglomeration/clustering.
  - By considering labour demand effects – to what extent does the option consider the local labour market and potential for new labour markets?

- By considering export and import substitution – to what extent do prospective Freeports’ interventions promote the delivery of goods and services traded with other regions than those that are principally sold locally?
- Social impact
- Equality impact

3.9 The Government acknowledges that the Freeports Economic Case is novel and nonstandard and will take a flexible approach to assessment. Prospective Freeports must, however, clearly state and justify their methodologies and assumptions at Annex I of the FBC and demonstrate, through sensitivity analysis, how those assumptions influence the economic analysis.

## 4. The Financial Case

- 4.1. The purpose of the Financial Case is to demonstrate the affordability of the Freeport investments (based on the Freeport's indicative seed capital allocation) and business model, as outlined in the Strategic and Management Cases. This section should therefore set out all operating and capital costs associated with the Freeport and how they will be met and also provide assurance that all aspects of delivery have been accounted for over the whole lifetime of the Freeport.
- 4.2. The Government expects Freeports to fully self-fund their operating costs, without grant funding from DLUHC, from 2025/26 and so it is crucial that the Financial Case clearly sets out how this will be achieved. Freeports should function as a meaningful partnership between the private and public sector partners and the Government expects the Freeport's funding arrangements to be reflective of this, with proportionate contributions from both.
- 4.3. Much of the key work at the FBC stage will involve updating and finalising the financial profile for the Freeport – this should be provided in full detail for the years up to 2024/25 and in outline from 2025/26 onwards.
- 4.4. The FBC will need to confirm the projects on which seed capital will be spent and provide detail on the expected costs of each project and how cost overruns will be managed. The Government expects seed capital projects to be developed in accordance with industry best practice (namely [The Green Book](#), [IPA Cost Estimating Guidance](#), and [The Construction Playbook](#)) and, where possible, the FBC must demonstrate how this has been achieved.
- 4.5. Where projects are not yet at this level of maturity, however, the Government may approve FBCs on the understanding that the accountable body for the seed capital (i.e., the lead local authority) will oversee the development of the project(s) in accordance with these principles of best practice. To do so, the accountable body will need to confirm to Government in the FBC that it will play this role and the processes it will follow in doing so (e.g., putting individual project business cases to its investment committee). The FBC must nonetheless set out the project in detail, including the key information required at 4.4 above.

4.6. Where Freeports intend to use a share of their capital allocation to cover capital costs associated with this development of the seed capital project in line with industry best practice, they should set out how much will be used in this way, what it will be used for, and the processes through which the accountable body will manage cost and ensure VfM.

4.7. In addition to addressing Government comments on the OBC, prospective Freeports will then also need to incorporate the following items into the Financial Case, not required as part of the OBC:

- Financial modelling of income from retained business rates growth, including any borrowing against future growth using TIF and associated costs and risks, at Sections 3a and 3c. The assumptions and methodology underpinning this modelling should be provided at Annex M.
- A high-level financial profile for the period 2025/26 onwards.
- Any security costs (associated with delivering customs site infrastructure and managing any other security risks identified – see Section 6.5 below) and how they will be met.



## 5. The Commercial Case

5.1 The Commercial Case of the Freeports FBC serves three purposes: (1) To demonstrate how each tax and customs site will be managed to deliver its vision and benefits (Sections 4a, 4b, and 4c); (2) To set out all planned procurement and how this will be approached (Sections 4d, 4e, and 4f); and (3) To provide assurance that risks associated with any public sector borrowing and subsidy control have been adequately considered (Sections 4g and 4h).

### 5.2 Site Delivery, Management, and Marketing

- 5.2.1 Sections 4a and 4b form a key part of the FBC and serve to provide assurance that clear and credible delivery and management plans are in place for bringing investment and development to the tax and customs sites at pace.
- 5.2.2 However, Section 4a is also crucial in demonstrating *how* that investment will achieve the benefits articulated in the Strategic Case: here prospective Freeports must set out a strategy for proactively managing each tax site to maximise investment that is additional, supports clustering, and fulfils the policy objectives (by driving trade throughput, innovation, and regeneration).
- 5.2.3 Prospective Freeports may adopt a range of approaches, but as a minimum this strategy is expected to be underpinned by: (1) Appropriate policies, agreements, or contracts agreed by key stakeholders, including tax site landowners; (2) A mechanism through which the Freeport Governing Body can ensure compliance; and (3) Plans to monitor and report to Government on compliance with the strategy.
- 5.2.4 Sections 4a and 4b should consider proposed sites individually and in turn, with a separate subsection for each.
- 5.2.5 Section 4c should set out how the Freeport as a whole, as well as individual tax and customs sites as applicable, will be marketed to attract end users with reference to the global 'Freeport' brand, that of the UK Freeports programme, and the individual Freeport brand/identity.

### 5.3 Procurement

- 5.3.1 Through Sections 4d, 4e, and 4f prospective Freeports should set out all planned procurements associated with Freeports seed capital funding or revenue funding, including who will conduct the procurement, when it will occur, and what is being procured.
- 5.3.2 Prospective Freeports must also set out the approach to procurement, contract management, and risk transfer that will be adopted to provide assurance that all relevant regulations and best practice standards will be met and that VfM and the policy objectives will be delivered. Much of this information may be drawn from existing procurement policies and these may be submitted as annexes to provide supporting evidence.

#### **5.4 Subsidy Control**

- 5.4.1 As outlined in the Bidding Prospectus and OBC guidance, the Freeports tax offer will be subject to our domestic and international subsidy control obligations. If needed, the Government may, at an appropriate point, introduce further guidance for businesses claiming Freeport tax reliefs, to reflect the outcome of ongoing discussions between the UK and EU about the Northern Ireland Protocol. Businesses located in designated tax sites will need to fulfil any requirements in place to ensure compliance with those obligations in advance of, during, and after claiming relief.
- 5.4.2 At the FBC stage, prospective Freeports are required to show that subsidy control has been considered by the lead authority with regards to the use of DLUHC capital and revenue funding and demonstrate how any associated risks will be managed (at Section 4h). This should draw on BEIS' subsidy control guidance for public authorities.<sup>2</sup>

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<sup>2</sup> <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/annex-2-public-authorities-assessment-of-how-individual-subsidies-comply-with-uk-eu-trade-and-cooperation-agreement-principles>  
<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments>

## 6. The Management Case

6.1. The purpose of the Management Case is to demonstrate that the preferred option is capable of being delivered successfully, in accordance with recognised best practice. Through it prospective Freeports should evidence robust project planning, governance structures, risk management, communications and stakeholder management, benefits realisation, and monitoring and evaluation.

6.2. At the OBC stage, relatively high-level information was requested on each of these areas; at the FBC, full detail will be required. Prospective Freeports will therefore need to finalise their proposed approach, address all comments on the OBC, and provide some new information in the below areas.

### 6.3. Monitoring & Evaluation (M&E) and Reporting

6.3.1. DLUHC is currently working to procure an evaluation provider to assist in developing the Freeports M&E programme. They will be responsible for designing and carrying out the programme-level M&E, assisting Freeports on their M&E activities and data collection, and ongoing M&E learning and support for the programme.

6.3.2. The M&E of Freeports will include a combination of process, impact, and VfM evaluation, and will be in line with key principles and practice from the Magenta Book 2020.

6.3.3. The Government has developed an overarching approach for the evaluation provider, focusing on:

- KPIs and data sources that allow us to track progress against the policy objectives.
- A holistic and rigorous impact evaluation, which will evaluate the extent to which Freeport outcomes are genuinely additional and the policy objectives have been achieved.
- A theory-based evaluation to help us understand how and why the policy had the impacts it did (including the role of different levers).

6.3.4. M&E guidance will be issued in early 2022 and the provider will work with Freeports to collect baseline evidence prior to Freeports becoming operational. Noting some Freeports will become operational before others, DLUHC will work collaboratively with those Freeports to ensure M&E requirements are fully understood prior to the guidance being issued. Freeports should note that these requirements may be subject to change as the M&E programme continues to develop.

6.3.5. At the FBC stage, prospective Freeports should set out how they intend to resource DLUHC's central reporting requirements as well as any plans for a local evaluation at Section 5h (this should also read across to the rest of the Management and Financial Cases).

6.3.6. The release of seed capital funding each year will be subject to Freeports satisfactorily completing the reporting and assurance process in full.

#### Reporting Requirements

6.3.7. It will be the responsibility of Freeport governing bodies to formally report twice a year on a list of core Key Performance Indicators, as well as some further indicators specific to the Freeport and reflective of its activity and aims. The evaluation provider will work with the Freeport to identify suitable indicators.

6.3.8. The Government expects these indicators will primarily cover activities, inputs, and outputs (what is delivered or produced). There may also be outcomes that Freeports will need to report on. This reporting and data collection will feed into the programme-level evaluation, as well as on-going monitoring.

6.3.9. This process will be as light-touch as possible. Prospective Freeports will only be required to report on indicators that need to be collected at the Freeport level. Other data required for programme M&E will be collected by the evaluation provider from administrative datasets. The evaluation provider may also conduct qualitative primary level data collection through interviews, focus groups and surveys.

6.3.10. The full list of indicators including frequency, definition, metrics, evidence, and baseline requirements will be provided in further M&E guidance in early 2022. The Government will share an outline list of indicators before the end of 2021.

6.3.11. In addition to the reporting on the indicators, prospective Freeports will also be required to provide updates biannually to keep track of progress, manage expectations, and highlight needs to intervention. This is expected to cover:

- Capital Funding Expenditure
- Programme Progress
- Programme changes

- Governance
- Risks
- Qualitative data collection

6.3.12. This reporting will ensure DLUHC is able to effectively monitor the progress of Freeports, manage and mitigate risks, ensure VfM, and share lessons learnt and good practice during the lifetime of the programme.

6.3.13. Reporting is expected to include biannual reporting (for the period April 1 to September 30 due on December 1 and for the period November 1 to March 31 due on June 1) and annual reporting (for April 1 to March 31 due on June 1)

6.3.14. To provide a robust and informative analysis on the programme impact, it is vital that all parties collecting data use the same metrics and appropriate methods. These metrics and methods will be outlined in the upcoming M&E guidance.

6.3.15. Freeports will be required to coordinate and resource the biannual reporting and primary level data collection in the Freeport. The process/system for reporting will be confirmed in due course. Reporting templates will be provided.

6.3.16. Freeports will be required to collect some data from end users of the Freeport (ports, local authorities, landowners, businesses) and so should ensure that reporting and data sharing agreements are set up between them and the Freeport Governing Body. These agreements should include an understanding that data will also be shared with HMG and the evaluation provider for M&E purposes.

6.3.17. It is expected that Freeports will also be required to collect information on businesses operating in their tax sites.

6.3.18. The exact indicators Freeports will need to report on will be confirmed in the upcoming M&E guidance. It is understood some information may be commercially sensitive. HMG and the evaluation provider will work closely with all users to determine the most appropriate data needed for the evaluation. Consideration will be taken to where this is commercially sensitive and appropriate data sharing arrangements set up.

6.3.19. The collection and reporting of this information will play a key role in the evaluation of the Freeport measures, including the tax reliefs in advance of their expiration dates.

#### 6.4. Governance and Management

6.4.1. At the initial governance gateway and OBC stage, prospective Freeports were asked to set out and justify the interim governance structures in place for the setup phase; a key purpose of the FBC is to assure the Government that appropriate permanent arrangements have been or will be established as the Freeport moves into delivery proper.

6.4.2. The Government expects a high level of continuity between Setup and Delivery Phase governance. Where differences between the two are proposed, prospective Freeports should clearly identify, justify, and provide timescales for any changes to governance arrangements for the delivery phase (e.g., new board members, creation of subcommittees, incorporation) or, if no changes are proposed, explain how the existing arrangements meet the demands of that phase summarised below at Sections 5a and 5b of the FBC.

6.4.3. The FBC should provide a finalised, detailed statement of the Freeport's long-term governance arrangements and either show that these are already in place or provide a clear plan for implementing them. It should be cognisant of how the demands on the Freeport governing body will change over time (e.g., given the Freeport will need to be self-financing from 2025/26 and the different timescales for the Freeport tax measures and business rates retention) and how it will evolve accordingly as well as the need to facilitate private sector leadership or a meaningful partnership between private and public sector partners.

#### Responsibilities

6.4.4. The Freeport governing body is accountable to Government for the delivery of the Freeport proposal as set out in the FBC. Some elements of Freeport delivery will fall directly under the governing body's control (e.g., the governing body and executive team may be directly responsible for marketing and investment promotion activities), whereas others will not (e.g., customs sites will be operated by individual CSOs).

6.4.5. The FBC must make clear where delivery responsibility lies for each aspect of the Freeport proposal. This includes, but may not be limited to, planning, innovation, trade and investment promotion, tax site delivery and operation, customs site delivery and operation, the use of retained business rates, skills and regeneration, alignment with wider initiatives, stakeholder engagement, security and compliance, Net Zero, risk management, and M&E and reporting. Where responsibility does not sit with the Freeport governing body, it is incumbent upon the governing body to put in place the necessary mechanisms (e.g., subcommittees within the Freeport's governance structure or commercial agreements) to hold partners to account for delivery.

6.4.6. The Government expects Freeport governing bodies to deliver on the content of their FBCs and will agree an MoU with them following FBC approval confirming this expectation and hold Freeport governing bodies to account through annual assurance reviews. However, the Government does understand that Freeports' strategic and commercial realities may change over time and that plans may need to evolve accordingly. Freeports should discuss any proposed significant changes to their delivery plans with their DLUHC Lead Contacts in the first instance.

#### Memberships

6.4.7. It is crucial that the right partners are involved in the right ways in the Freeport's long-term governance and management arrangements to ensure the above responsibilities can be successfully discharged.

6.4.8. In addition to setting out where accountability and responsibility for all elements of delivery sit, the FBC must show why the parties involved in the Freeport governance and management structure are the right ones and their roles are appropriate.

6.4.9. The Government does not expect Freeport governing bodies to exceed 12 members except where there is a strong case for a wider board, which should be made in the FBC if applicable. Boards should continue to feature the key members listed in the Bidding Prospectus and subsequent governance guidance, namely:

- A chair

- The port(s)
- The lead local authority (accountable body)
- Major landowners or investors
- All local authorities responsible for statutory powers required for Freeport delivery.

6.4.10. Any changes in membership for the delivery phase should be clearly identified and justified in reference to the evolving purpose of the board.

6.4.11. The FBC must set out the processes and timescales for appointment of a permanent chair, recruitment of delivery/executive team staff, and any procurement/outsourcing of support for governance or delivery roles.

#### Corporate Structure

6.4.12. The FBC must set out the corporate structure that the Freeport will adopt for the delivery phase (e.g., company limited by guarantee, Special Purpose Vehicle, unincorporated joint venture, etc.) and explain why this structure is most appropriate.

6.4.13. Key documentation setting out this structure (e.g., articles of association, schedules of delegation, terms of reference, contracts, charters, or partnership agreements) and relevant policies (recruitment and remuneration policies, a conflict-of-interest policy, a diversity and inclusion statement, in-kind/related party charges policy, etc.) should be provided in the FBC. The FBC must commit to suitable levels of transparency, propriety, and inclusivity with respect to governance and adherence to the Nolan principles.

6.4.14. If a prospective Freeport believes the favoured corporate structure cannot or should not be established prior to FBC submission, they should justify this in their FBC and provide a clear plan for doing so as well as a detailed statement of the how it will operate and the agreements that will underpin it. Rationales will be assessed on a case-by-case basis.

#### **6.5. Security and Illicit Activity**

6.5.1. The Government is committed to ensuring Freeports uphold the UK's high standards for security and combatting illicit activity and honour the obligations set out in the OECD Code of Conduct for



Clean Free Trade Zones and the UK's Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

6.5.2. The Government requires prospective Freeports to demonstrate at the FBC stage that adequate structures and processes are in place for managing any security and illicit activity risks associated with Freeport status.

**6.5.3. To evidence this prospective Freeports must:**

- Conduct a security and illicit activity risk assessment with local partners and security stakeholders and submit this at Annex B of the FBC. A template is provided at Annex 1 of this document; prospective Freeports should use this as a starting point and add risks as necessary. The assessment should encompass risks associated with the Freeport ports, tax sites, customs sites, and capital works and identify:
  - Where responsibility for each lies (e.g., with the port operator, with the customs site operator, etc.).
  - Any mitigations that are already in place (e.g., existing procedures within ports for managing security risks).
  - Any new, additional mitigations that are required.
- Put in place appropriate processes and governance arrangements for actively managing the security risks identified and set these out at Sections 5a and 5g of the FBC. This must, as a minimum, make clear where responsibility lies for any new, Freeport-related risks and their mitigations and include a body within the Freeport's governance structure that brings relevant security stakeholders together on a regular basis to review the security and illicit activity risk assessment. **Arrangements should build on, rather than duplicate, existing security provisions.**
- Commit: (1) the Freeport governing body to an annual audit of security measures in place and any breaches, conducted in partnership with the Government; and (2) the Freeport governing body and all customs site operators to honouring the obligations set out in the OECD Code of Conduct for Clean Free Trade Zones and the UK's Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and registering with a Government approved supervisory authority to follow anti-money laundering regulations.

- 6.5.4. Should 5g not adequately address the points at 6.5.3 or omit key risks, the prospective Freeport and associated stakeholders will need to work with HMG and local enforcement agencies to implement appropriate governance arrangements and risk assessments.
- 6.5.5. Prospective Freeports should set out in their Financial Cases how costs associated with customs security infrastructure will be met and in their Management Cases how this infrastructure will be delivered.
- 6.5.6. If further costs associated with mitigating security risks are identified through the risk assessment process (e.g., a need for additional policing is discovered), the Financial Case should set out how these costs could be met from within the Freeport coalition and the prospective Freeport should discuss these with the Government.
- 6.5.7. Freeport customs site operators will also need to be authorised by HMRC, in accordance with the process set out [here](#).
- 6.5.8. The practicalities of the annual security audit will be confirmed following FBC approval, but a higher quality risk assessment in the FBC is expected to result in a more straightforward process. This audit of security arrangements will be separate from ongoing HMRC compliance processes to audit Customs Site Operator compliance.

## 7. Submission and Assessment Process

- 7.1. Prospective Freeports should complete the FBC and return it as a Word document via email to their DLUHC lead contact and the Freeports inbox ([UKFreeports@levellingup.gov.uk](mailto:UKFreeports@levellingup.gov.uk)). **The FBC must have been signed off by the Freeport governing body, SRO, and lead authority Section 151 officer prior to submission and confirmation of this should be provided at the point of submission.**
- 7.2. As with the OBC, the Government appreciates that not all prospective Freeports will be able to move at the same speed. It will therefore be ready to assess FBCs in two windows:
- FBCs received by 31 January will be assessed from 3 February.
  - Prospective Freeports unable to meet this deadline should submit their FBCs by 15 April and these will be assessed from 19 April.
- 7.3. These windows are slightly later than the provisional windows included in the Setup Phase and Delivery Model Guidance, to allow sufficient time for Freeports to finalise their FBCs after release of the formal outcome of their OBC. However, FBC approval is not required prior to the activation of tax or customs sites, so this will not prevent the first Freeports from becoming operational by the end of 2021.
- 7.4. The Government will not begin assessing FBCs received after 31 January until 19 April and will only assess FBCs that it considers complete, with all required information and annexes, and of a suitably high standard. The Government will return any that fail an initial threshold assessment to prospective Freeports for further work. A suitably complete and high-quality FBC must be received by the relevant deadline for that FBC to be assessed in a particular window.
- 7.5. Prospective Freeports should also share a draft version of their FBCs with their DLUHC lead contact for comment **at least 3 weeks before submission.**
- 7.6. Prospective Freeports whose FBCs are assessed in later windows will not be disadvantaged with regards to the allocation of seed capital funding, but prospective Freeports should aim to submit their FBCs by 31 January and should notify their DLUHC lead contact as early as possible if they are likely to miss this deadline or if they intend to submit their FBC significantly in advance of this.

7.7. FBCs will be assessed by a cross-departmental panel of policy experts and analysts against the criteria set out at Section 9 below. This is expected to take around 6 weeks.

7.8. DLUHC will write to prospective Freeports following this assessment either:

- Formally signing off the FBC, or
- Setting out the key changes needed for formal FBC signoff and a deadline for completing them.

7.9. The Government reserves the right not to proceed with the designation of a prospective Freeport that it deems to be making insufficient progress or unlikely to suitably realise the policy objectives.

However, it will not 'fail' FBCs that do not initially receive signoff and will work collaboratively with prospective Freeports to make necessary changes to the FBC so long as there remains a realistic possibility of them completing the setup phase to a reasonable timescale.

7.10. The Government is keen to work collaboratively with prospective Freeports as they develop their FBCs and so prospective Freeports should continue regular review and feedback sessions with their DLUHC lead contact during FBC development. These sessions will be an opportunity to ensure the FBC is developing in accordance with the Government's expectations and will reduce the likelihood of significant revisions being needed following submission.

7.11. Prospective Freeports should also make use of the support available from the Freeports Hub. This includes a series of shared products, which set out suggested approaches to tackling some of the FBC requirements articulated in this guidance. The products are not mandatory and prospective Freeports may adopt other approaches if they wish, but they have been developed to save prospective Freeports time and support them in developing a strong FBC. The products are available on request at [UKFreeports@levellingup.gov.uk](mailto:UKFreeports@levellingup.gov.uk) and include:

- **Net Zero Guidance**, which will help prospective Freeports to develop their plans for achieving net zero emissions and is relevant to FBC sections 1g, 2a, 2b, 3a, 4d, 5a, and 5b.
- **Customs Opportunity Analysis**, which will help prospective Freeports to understand the opportunities presented by the Freeport tariff and customs levers and is relevant to FBC sections 1di4, 1di5, 1e, 2bi, 3a, 4b, 5a, 5b, and 5g.

- **Tools for Delivering Freeport Tax Sites**, which will help prospective Freeports to develop their approach, as required, to managing complex, multi-owner brownfield sites to ensure they maximise the Freeport's impact and is relevant to FBC sections 1di2 and 1f.
- **Regeneration and levelling up guidance**, which will help prospective Freeports to place regeneration and levelling up at the heart of their Business Cases and is relevant to all FBC sections.
- **Customs and wider economic benefits guidance**, which will help prospective Freeports to model the wider economic benefits associated with the Freeport, including benefits associated with customs sites and is relevant to FBC sections 2bi, 2biii.
- **Tax Reliefs Guidance**, which will help prospective Freeports to model the Freeport tax reliefs and approach BC requirements around assessing additionality and displacement and is relevant to FBC section 2.
- **Trade and Investment guidance**, which will help prospective Freeports to develop their Trade and Investment Strategies and is relevant to FBC sections 1di7 and Annex K
- **Innovation guidance**, which will help prospective Freeports to develop their Innovation Strategies and is relevant to FBC sections 1di6 and Annex L
- **Skills guidance**, which will help prospective Freeports to develop their Skills & Workforce Development plans and is relevant to FBC sections 1di8 and Annex N.
- **Equalities Impact Assessment guidance**, which will help prospective Freeports to develop their Equalities Impact Assessments and is relevant to FBC sections 1i and Annex O.

7.12. The Government may conditionally approve FBCs, identifying key actions that need to be undertaken prior to the release of any seed capital funding. There are likely to be standard conditions all Freeports must meet annually ahead of the payment of capital and revenue grants, including confirmation from the lead local authority that:

- All necessary legal powers and local and/or third-party funding contributions are in place to deliver the capital projects.
- The Freeport will meet all M&E requirements and work collaboratively with the evaluation provider.
- The Freeport will engage with the annual audit of security measures.

7.13. Following the approval of a Freeport's FBC, the Government will agree an MoU or MoUs with local Freeport partners covering: (1) The role and responsibilities of the accountable body; (2) The role and responsibilities of the Freeport Governing Body; and (3) The planned use of retained business rates by the Freeport.

7.14. The MoU(s) will formalise the Government's expectations that the Freeport Governing Body delivers the Freeport proposition as articulated in the FBC. However, the Government appreciates that Freeports' commercial and strategic contexts may change, and plans may need to evolve accordingly. There will therefore be provision for Freeports and the Government to agree amendments to the MoU(s) as needed.

## 8. Summary of FBC Requirements

8.1. This section summarises the requirements of the FBC.

## 0. Overview of Revisions

0a. Lists all comments received from government on the OBC, how they have been addressed, and provides page references for changes.

## 1. Strategic Case (suggested length: ~30 pages)

### 1a. Strategic rationale

- Sets out the Freeport's strategic context, including:
  - The rationale for public intervention (i.e., economic need or market failure).
  - Why a Freeport (as opposed to other interventions) is the correct response - the strategic role or value of a Freeport in its context.
  - The need for the investment of public funds as seed capital (e.g., how the investment will stimulate economic activity that otherwise would not occur owing to market failures).
  - What would happen in the absence of intervention, including implications for the proposed seed capital investments.
  - The high level, strategic interdependencies of the Freeport. This should include (but need not be limited to) up to 5 key points where delivery is dependent on actions or decisions from central government departments.

### 1b. Target markets

- Sets out the strategic focus for the Freeport. This must include:
  - The sectors/value chain segments/markets the Freeport will target.
  - An analysis and sizing of the target sectors/value chain segments/markets.

### 1c. Value proposition

- Sets out the competitive positioning of the Freeport. Including how the Freeport and its area's current resources (including skills, land, infrastructure, and existing clusters/anchor tenants) constitute a potentially strong value proposition for the target sectors/markets. This should include a comparative analysis of national and international competitors.
- Sets out any shortfalls in the value proposition and how Freeport interventions may address these. This should include an analysis of the skills available within the local labour market and those the Freeport will require to realise the proposed job creation outcomes. This should set out the sectors, role types, and timeframes for jobs the Freeport is expected to create and the methodology and assumptions underpinning this modelling should be clearly stated.

### 1d. Intervention and levers

#### 1di. Freeport levers

- Sets out in summary how each Freeport lever will be deployed and any interactions. Where activity is geographically limited, this section should make clear where it is taking place.

#### 1di1. Seed capital

- Confirms the specific activities that will be funded using seed capital. If seed capital will be used to support a larger project, the specific elements that seed capital will fund should be identified.
- Sets out how these activities support the Freeport to realise its objectives.
- Confirms that these activities either constitute land assembly/site remediation or small-scale transport infrastructure. If not, a compelling case must be made that the activities: (1) Have especially clear and well-evidenced expected benefits, in line with the Freeport policy objectives; (2) Would not otherwise take place owing to market failures and/or would unlock a particularly high level of private sector match funding; and (3) If skills or digital activities, are well aligned with wider skills/digital initiatives and will not duplicate or fragment this work.

#### 1di2. Tax sites



- Sets out the strategic vision for each tax site, including target/expected end users and how they align with the policy objectives (e.g., by supporting the creation of a high-innovation cluster).

1di3. Retained business rates

- Sets out the objectives of the retained business rates fund and the rationale behind them, including how they relate to the objectives of the Freeport and the Freeports programme more widely.
- Sets out the criteria projects must meet to be eligible for funding and how these uphold the requirements of 2.5.2 above and align with the objectives of the retained business rates fund.
- Sets out the workstreams and, wherever possible, specific projects that will be funded and how these meet the requirements of 2.5.2 above and align with the objectives of the retained business rates fund.
- Sets out the overall expected value of retained business rates profiled over time and an indicative allocation between workstreams and, where possible, specific projects. This should read across to the detailed financial profile at Section 3a of the Financial Case and the project pipeline set out at Section 1diii.
- Sets out any planned borrowing against future income from retained rates through Tax Increment Financing (TIF). This should make clear why borrowing is needed, when it will occur, who will borrow and from whom, and should read across to a more detailed articulation of how borrowing will take place in the Financial Case (Section 3a) and Commercial Case (Section 4g).
- Sets out how decisions regarding the use of retained rates will be taken and the process for prioritising and selecting projects for funding. This must demonstrate that these arrangements will best equip the Freeport to realise its objectives. This should read across to the Management Case.
- Sets out where ownership of the business rates policy lies and including how and when it will be reviewed and evaluated. This should make clear how the Freeport governing body will ensure delivery of the policy. This should read across to the Management Case.

1di4. Customs sites

- Confirms all customs sites in the original bid and which ones are being proposed for designation; where sites are no longer being proposed for designation, this should be clearly explained and justified.

- For all sites that are being proposed for designation, sets out their operator(s) and the timescales for delivering each. Slower timescales should be clearly explained and justified. This should read across to the delivery plan and key milestones provided at Section 5e of the Management Case.
- Sets out the expected kinds of end user (sector and size) for each customs site and how the Freeports customs offer will attract them.

1di5. Planning

- Sets out for each major development site of significance for the Freeport (including all seed capital, tax, and customs sites as well as any other enabling infrastructure): (1) All relevant local development plans (including both emerging and adopted documents) and their current status; (2) The current planning status of the site; (3) The planning needs of each site, including the ways in which planning measures may support site delivery; (4) Any planning activities that will be undertaken to support and enable appropriate development to come forward and their estimated timescales. This should read across to Sections 4a and 4b and planning risks should be captured at Annex D.

1di6. Innovation

- Sets out what Freeport status helps enable with regards to innovation plans and how.
- Sets out how the Freeport will use its enabling powers to stimulate innovation and adoption by businesses within the Freeport.
- Summarises the Freeport's innovation strategy, endorsed by the relevant stakeholders. The full innovation strategy should be provided at Annex L.
- Sets out specific and concrete plans for accessing wider innovation funding, including: (1) The innovation issues that will be solved; (2) The impact that innovation activities will have; (3) The innovation funding and support already in place (public and private) – identifying specific projects by name and type of funding and/or support in place (e.g., infrastructure, project, revenue).
- Provides a plan for utilising the FREN, including: (1) Potential innovative opportunities to explore with firms and regulators, such as regulatory flexibilities and regulatory sandboxes; (2) A plan for engaging with the FREN, including an identified FREN co-ordinator in the Freeport; (3) An understanding of the areas in which Freeports will require continued regulatory support, in both existing and potential

innovatory regulation; (4) Any levers or incentives which will be in place to promote regulatory innovation.

1di7. Trade and investment promotion

- Sets out an ambitious and achievable strategy for attracting investment to the Freeport and surrounding area, including how DIT trade and investment support services will be leveraged. Prospective Freeports should discuss and agree with DIT the support they wish to access from the Department ahead of FBC submission. A full trade and investment strategy should be provided at Annex K; this should make clear:
  - The steps that will be taken and outputs delivered by the Freeport to increase inward investment into the area and enhance trade, including supporting UK businesses to export.
  - How the strategy will be delivered (team structures, roles, and responsibilities) – this should read across to Sections 5a and 5b in the Management Case below.
  - How the requested DIT services compliment the Freeport’s trade and investment strategy, including how they provide additionality above and beyond what the Freeport is able to deliver itself.

1di8. Skills and workforce development

- Sets out a plan for addressing any skills gaps identified and clearly articulates how this builds on relevant Skills Advisory Panel local skills reports and any Local Skills Improvement Plan produced as part of the Skills Accelerator programme, including by:
  - Engaging, and supporting employers to engage, with local and national skills stakeholders, including colleges and skills providers and DWP.
  - Providing relevant training opportunities, including by using and contributing to existing government training offers such as those set out in the Skills for Jobs white paper.
  - Ensuring alignment between the Freeport proposal and relevant skills strategies and relevant national skills programmes.
  - Accessing available skills programme funding.

- Providing employment and progression in work for local unemployed people and people in low-paid work, including those from disadvantaged groups who are likely to be overrepresented in these categories. This should include an active role for the private sector, alongside government support.
- The full plan should be provided at Annex N.

1dii. Wider interventions

- Sets out wider activity taking place in and around the Freeport geography that will support the Freeport to realise its objectives, how it will do so, and how alignment has been ensured between the Freeport and the wider activity. This should encompass confirmed investments (public and private), local and central government initiatives, and local (industrial, skills, transport, etc.) strategies.
- In the case of confirmed investments, this section should provide:
  - Investment description
  - Strategy/objectives
  - Value
  - Expected Outputs
  - Funder(s)
  - Delivery Timescales
  - Geographical Scope
  - How does the investment support the Freeport to realise its objectives?
- This section must make clear how Freeport skills and innovation activity aligns with wider strategies, interventions, and investments. It should also set out, for any as-yet-unconfirmed investments or initiatives, how their delay or cancellation would impact the Freeport.

1diii. Project pipeline

- Sets out a pipeline of planned and potential projects (infrastructure, skills, land remediation, innovation, decarbonisation, etc.) in and around the Freeport geography that would support the Freeport to realise its objectives and for which funding is yet to be secured. These may ultimately be funded through retained business rates, wider public funding pots, or private investment. This should provide:

- Project description
- Strategy/objectives
- Estimated Cost (Capital)
- Estimated Cost (Revenue)
- Expected Outputs
- Funding Status (request made/possible funder identified/no possible funder identified yet)
- Rough Delivery Timescales
- Geographical Scope
- How would the investment support the Freeport to realise its objectives?

1e. Outputs and outcomes

- Sets out the outputs (benefits) the different activities detailed at 1d will generate and how. This must clearly connect each piece of Freeport activity to its expected outputs and these outputs to the Freeport's objectives. This section should also explain:
  - How these outputs constitute additional value that would not be realised without the Freeport activity.
  - How these benefits enhance and/or address any shortfalls in the Freeport's value proposition.
  - How interventions will complement each other to maximise outputs.
  - The geography of benefit, including how the benefits will spill out from tax, customs, and investment sites to the wider Freeport geography and sub-region. A map showing the location of each tax, customs, and seed capital and wider investment site should be provided at Annex E.
- A detailed logic model illustrating the above should be provided at Annex A.
- This section should be updated in line with the revised Economic Case at FBC stage.

1f. Tax site compliance

- Sets out the timescales to which proposed tax sites are being/have been brought forward for approval and demonstrates that each site complies with the requirements articulated at Section D of the Setup Phase and Delivery Model Guidance, namely:
  - The physical requirements of a Freeport tax site.

- The regeneration need requirement of a Freeport tax site.
- The 'underdeveloped' requirement of a Freeport tax site.
- A map of each proposed site should be provided at Annex E.

1g. Net Zero

- Sets out a strategy for at minimum achieving latest emissions targets – 68% reduction by 2030, 78% reduction by 2035, and Net Zero by 2050. This should meet the requirements set out at Section 12 of the Setup Phase and Delivery Model Guidance.

1h. Equalities

- Sets out, with evidence, how the Freeport proposal will impact each protected group and how the proposal has been designed and developed in light of this impact, including any mitigating actions that will be taken. A full equalities impact assessment should be provided at Annex O.

1i. Environmental Impact

- Demonstrates how negative environmental impacts will be mitigated through compliance with applicable regulations pertaining to air and water quality, the management of waste, and the treatment and handling of chemicals, as well as any additional assessment and mitigation of impacts on protected sites and species. This should make clear what activity will be undertaken by the Freeport and what will be undertaken by site tenants/end users and outline any processes through which the Freeport may ensure compliance and how consideration of environmental impact will be reflected in the Freeport's governance.
- Demonstrates how resilience to future climate change has been considered, with reference to the latest supplementary guidance to the Green Book on 'Accounting for the Effects of Climate Change' , the Environment Agency's guidance on flood and coastal erosion risk management (FCERM) , and Defra's Floods Policy Statement . This must clearly demonstrate how flooding and coastal erosion have been considered.

## 2. Economic Case (suggested length: ~15 pages)

### Overview

- The Economic Case should consider the economic impact of the Freeport as a whole. This will include consideration of the expected costs and benefits from the Freeport across its whole geography. The economic case should be consistent with Green Book guidance.<sup>3</sup>

### 2.a Critical Success Factors

- Sets out the key attributes upon which successful delivery of the Freeport depends, which should be used to rule out unsuitable or unfeasible options. These should include, as a minimum, the following:
  - Strategic fit with the policy objectives
  - VfM
  - Capacity and Capability
  - Achievability/risk profile
  - Affordability/cost (given the prospective Freeport's indicative seed capital allocation)
  - Alignment with the Net Zero agenda
- Factors (including any additional ones) should be defined in enough detail that they can be used to rule out options and are clear to the reader.

### 2b. Options Appraisal

#### 2bi. Shortlist of options

- Provides a shortlist of options for deploying the seed capital, including a maximum ask of DLUHC (£25m), a minimum viable ask, and, in exceptional circumstances, a higher funding ask of DLUHC. The option corresponding to the prospective Freeports indicative CDEL allocation should be identified. In line with standard practice, a 'do nothing' option should also be included.
- Each option must assess the expected benefits associated with each Freeport lever and how the use of seed capital will impact these. At a minimum, this must include a quantitative assessment of:

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<sup>3</sup> <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

- The expected value of the tax benefits to the businesses operating on the proposed tax sites (per site). This should be based on an analysis of expected commercial take-up of the tax and customs sites (including firms on site, sectors on site, expected staffing levels, expected investment). Central support will be available in calculating this.
- The expected value of the customs benefits to businesses operating on the proposed customs sites (per site).
- The expected impact of each option on the creation of additional jobs and wage uplift in the Freeport Travel to Work Area, investment into the Freeport area, and trade throughput in the Freeport area.
- The shortlist of options should also include an assessment, for each option, of:
  - Contributions to Net Zero and other environmental impacts
  - Innovation impacts
  - The extent to which benefits are additional or displaced from another area
  - The impact of the tax incentives, customs measures, and seed capital investments on the viability of investment in the Freeport tax and customs sites
  - Deadweight loss
- Each option should be summarised, including the scope of work, delivery mechanism, delivery partners, delivery timescales, and funding options. Methodologies and assumptions should be outlined in detail, ideally in a way that allows for estimates to be replicated in order to allow for robust appraisal. However, the Government acknowledges that some assumptions and inputs may be based on commercially sensitive information. Support and advice can be provided to assist prospective Freeports with a methodological approach for modelling the policy levers.

2bii. VfM appraisal

- Provides a VfM appraisal for all shortlisted options. Assumptions, references, and methodologies underpinning the VfM analysis, including all modelling, should be set out in full at Annex I. Prospective Freeports should estimate the costs and benefits arising from the Freeport as set out in the options



appraisal and value any they can. These should be discounted into the present value following the Green Book process.

- If possible, prospective Freeports should calculate the costs and benefits associated with each site individually and then derive total costs and benefits for the option from this. This should then be used to estimate the Net Present Value and Benefit Cost Ratio (BCR) of each option.
- Prospective Freeports should undertake sensitivity analysis that models what the VfM of the various options would be if some of the key underlying assumptions were different. This could either take the form of estimating the BCR under different assumptions, or what the minimum/maximum value of the variable would need to be for the BCR to be under 1.
- Prospective Freeports should note that the VFM appraisal only forms one aspect of the Economic Case Appraisal and, given the uniqueness of the Freeport model, the Government will take a flexible approach to assessing the Economic Case. Prospective Freeport should focus on demonstrating the overall economic impact of their Freeport in this section.

#### 2biii. Qualitative benefits appraisal

- Sets out any benefits that cannot easily be quantified/monetised, and each option's ability to deliver them. A list and weighting of relevant benefits should be identified, and each option should be evaluated (with a score and some narrative text) for its ability to deliver each benefit.
- There is not a standard approach for scoring benefits that cannot easily be quantified. Prospective Freeports should adopt the most suitable scoring methodology. Guidance on different possible methods can be found at page 26 of the DLUHC Appraisal guide.

#### 2biv. Wider impacts

- Sets out the wider impacts of each option, including at a minimum:
  - Wider economic impacts. This should include showing how each investment proposal facilitates and enables the impact of the wider Freeport proposal, as set out in the Strategic Case, including:

- By addressing displacement/providing additionality – to what extent does the option bring new jobs and investment to the Freeport location versus displacing it from another location.
  - By promoting agglomeration/clustering.
  - By considering labour demand effects – to what extent does the option consider the local labour market and potential for new labour markets?
  - By considering export and import substitution – to what extent do prospective Freeports’ interventions promote the delivery of goods and services traded with other regions than those that are principally sold locally?
    - Social impact
    - Equality impact
- The Government is aware that there is not a standardised approach for modelling these impacts or benefits, so prospective Freeports should clearly set out their methodology and assumptions. Where these impacts can be monetised prospective Freeports should include them as part of the VFM appraisal.

2bv. Risk appraisal

- Sets out key risks associated with each option. A list of relevant risks should be identified, and a score and narrative text should be provided for each option against each risk, reflecting the likelihood and impact of them coming to pass under each scenario. This should include planning risks associated with each option. Prospective Freeports may want to consider the Orange Book Risk Guidance [Orange Book - GOV.UK \(www.gov.uk\)](#).

2c. Preferred option

- Recommends a preferred option on the basis of the VFM, qualitative, wider impact, and risk appraisals. This should set out in tabular for the performance of each option against each appraisal to clearly show why the preferred option has been selected. Multiple singular options can be combined as the preferred option.

### 3. Financial Case (suggested length: ~10 pages)

#### 3a. Financial resources and budgets

- Demonstrates the affordability of the proposal given the prospective Freeport's indicative seed capital allocation. A full year-by-year financial profile should be provided for the period up to 2024/25 and a higher-level profile for the remainder of the business rates retention period (25 years), plus accompanying narrative. This should set out:
  - How seed capital funding will be spent.
  - All private and public match funding, broken out by funding source.
  - Modelling of income from retained business rates growth over the 25-year retention period as well as any borrowing against future income and associated costs. The assumptions and methodology underpinning this modelling should be submitted as Annex M.
  - All complementary investments (i.e., those listed at Section 1dii).
  - All Freeport delivery costs up to 2024/25 and how they will be met; this should include a scenario in which further funding is available in 2022/23 to 2024/25 and a scenario in which it is not. At a minimum, this cover costs associated with governance, the executive/delivery team, communications, trade and investment promotion, stakeholder engagement, customs site delivery, security and policing (see Section 6.5 above), innovation, skills, Net Zero, planning, and monitoring and evaluation.
  - A high-level profile of Freeport delivery costs from 2025/26.
  - All revenue streams that will be used to fund Freeport activity. This should demonstrate how the Freeport will be self-funding from 2025/26 onwards.
- Whole life cost tolerances should be provided for all spending. Any works that have already been procured should be identified and their contract costs stated.
- For all seed capital projects the following information must be provided:
  - Cost estimates and the basis for these estimates.
  - All funding sources, including seed capital and private and public co-funding.

- How contingency and/optimism bias has been factored into cost estimates and how cost overruns will be funded.
  - How VfM has been and will be considered (e.g., by finding cost efficiencies, in-kind contributions, etc.).
  - How relevant third parties (e.g., utilities, Network Rail) have been or will be engaged in the project.
- Where possible, it should be demonstrated how the development of the proposal has followed industry best practice (i.e., The Green Book, IPA Cost Estimating Guidance, The Construction Playbook). Where projects are not yet at this level of maturity, the following must be provided:
    - Confirmation from the accountable body (lead local authority) that the proposal will be developed in line with these examples of industry best practice.
    - The process and timescales that will be followed in developing the proposal and for the accountable body verifying that it has met the requisite standards of best practice (e.g., project business case signoff by the accountable body's investment committee).
    - Confirmation of whether any seed capital is expected to be used to cover costs associated with developing the proposal in this way, how much will be used in this way, what it will be used for, and the processes through which the accountable body will manage cost and ensure VfM.

### 3b. Further revenue funding

- Makes the case for further revenue funding in 2022/23, 2023/24, and 2024/25. This should clearly set out how further funding would be used, why it is needed, and how it will help the Freeport will become fully self-funding from 2025/26 onwards.

### 3c. Financial risk

- Sets out the main financial risks and summarises the best- and worst-case cost scenarios. These may be many of the same risks identified at 2bv of the FBC but should be evaluated in financial (rather than economic benefit) terms.

## 4. Commercial Case (suggested length: ~10 pages)

### 4a. Tax site delivery and management

- Sets out, in a separate subsection for each proposed tax site, a long-term strategy for managing the site in line with Section 13.3 of the Setup Phase and Delivery Model Guidance. This should include:
  - A clear statement of the site vision and strategy, including target sector(s) (this should read across to Section 1di2).
  - Land ownership and planning status of each tax site (this should read across to Section 1di5).
  - What tools, mechanisms, and approaches will be deployed to deliver the intended land use and benefits from each of the tax sites, and evidence of agreement to these plans from relevant stakeholders.
  - A project plan showing all of the necessary activities, dependencies, risks and expected timelines for activating sites and bringing forward investment on the sites – this should include estimates of hectares of development and value of investment expected by year.
  - The current status of tax site land in terms of commercial demand (i.e., proportion of land for which leases have been signed, heads of terms agreed, enquiries are active, no enquiries are active).
  - How the delivery of the site will be governed, managed, and resourced (this should read across to Sections 5a and 5b).
  - Any relevant corporate and project governance policies, procedures, or project controls.

### 4b. Customs site delivery and management

- Sets out, with a separate subsection for each customs site being proposed for authorisation, the following:
  - A clear statement of the site vision and strategy, including target end users (this should read across to Section 1di4).
  - The operator of each proposed site, any customs regimes already operated by them within the Freeport area, and for each proposed Freeport customs site whether there is an ambition to create a Place of Temporary Storage.

- Land ownership and planning status of each tax site (this should read across to Section 1di5).
- A project plan showing all of the necessary activities, dependencies, risks and expected timelines for authorising each site, including the delivery of security infrastructure.
- How the delivery of the site will be governed, managed, and resourced (this should read across to Sections 5a and 5b).
- Any relevant corporate and project governance policies, procedures, or project controls.

#### 4c. Commercial and marketing plans

- Sets out the commercial and marketing plans for attracting end users to the Freeport, including any site-specific plans and with reference to the global 'Freeport' brand, that of the UK Freeports programme, and the individual Freeport brand/identity.

#### 4d. Procurement Strategy

- Sets out a robust strategy, in line with the Government's Sourcing and Consultancy Playbooks, for procurement using Freeport funding (seed capital and capacity funding) that demonstrates how the Freeport will secure VFM. This should make clear:
  - What procurement is required (with an assessment of whether work can be done in house), who will conduct the procurement, timescales and milestones (these should be reflected in the project plan at Annex C), and any dependencies with other programmes/procurements.
  - The regulatory/best practice standards that will be met and how the following will be considered: modern slavery, generating social value, Net Zero and environmental impact, consultancy controls, SME utilisation, actively embracing innovation.
  - The approach to cost modelling and pricing mechanisms.
  - The proposed route(s) to market (procurement route(s)).
  - Any market testing that has taken place or is planned (including pre-tender market engagement (PTME)).
  - Evaluation criteria/questions for the procurement and how these will ensure the right goods/services/land/buildings are procured, in a VFM manner, and to standard.

#### 4e. Risk Transfer

- Assesses the potential for of transfer of risk to delivery bodies and its implications (e.g., impact on price or required effort for contract management). Sets out how risks will be allocated and managed between Freeport coalition members and contractors. All commercial risks for the full life of the project, as well as risk owners and mitigations, should be identified in the risk register at Annex D.

#### 4f. Contract Management

- Sets out how delivery bodies will be managed to deliver the desired outcomes in the most VfM manner.

This should include:

- The proposed commercial model, including how suppliers will be incentivised (e.g., performance targets) and contract terms.
- A clear resourcing plan, demonstrating how sufficient capability will be available to provide effective contract management.

#### 4g. Public Sector Borrowing (if applicable)

- Summarises any proposed public sector borrowing (e.g., through TIF against future retained business rate income) and how it will be ensured that borrowing is prudent, affordable, and sustainable.

#### 4h. Subsidy Control

- Sets out the lead authority's assessment of subsidy control considerations in the context of DLUHC (capital and revenue) Freeports funding and how these will be managed, based on BEIS' guidance for public authorities.<sup>4</sup>

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<sup>4</sup> <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/annex-2-public-authorities-assessment-of-how-individual-subsidies-comply-with-uk-eu-trade-and-cooperation-agreement-principles>  
<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments>

## 5. Management Case (suggested length: ~15 pages)

### 5a. Governance

- Sets out, in full detail, the final governance arrangements that will be adopted for the delivery phase and the timescales for adopting them. This should include:
  - The memberships, powers, and decision-making mechanisms of the governing body and all subcommittees. This must clearly show that the Freeport governing body will have the necessary powers to deliver (directly or otherwise) on the Freeport proposal as articulated in the FBC, including how it will hold delivery partners to account.
  - A clear schedule of delegation, showing where accountability lies for the various aspects of the Freeport and the responsibilities of each party. This must as a minimum include planning, innovation, trade and investment promotion, tax site delivery and operation, customs site delivery and operation, the use of retained business rates, skills and regeneration, alignment with wider initiatives, stakeholder engagement, security and compliance, Net Zero, risk management, and M&E and reporting.
  - Final governance documents (including governing body Terms of Reference, recruitment and remuneration policies, a conflict-of-interest policy, a diversity and inclusion statement, in-kind/related party charges policy, and any other relevant documents). These should be provided at Annex J.
  - Detail of plans for any form of incorporation, including timescales. This should explain why this form of incorporation has been chosen over other options in terms of its suitability for delivering the Freeport's strategy.
  - Plans (including timescales) for the appointment of a permanent chair.
  - Evidence of private sector leadership or a meaningful partnership in which the private sector is heard.
- All changes from the governance arrangements set out in the OBC should be clearly identified.



## 5b. Team structure

- Sets out the structure of the Freeport executive/delivery team (including contracted human resource and that provided by Freeport coalition members), including the roles and responsibilities of individual team members. Delivery roles must be clearly described and demarcated from the governance roles set out in Section 5a. This should confirm:
  - Where responsibility for delivering each part of the Freeport proposal sits. This must as a minimum include planning, innovation, trade and investment promotion, tax site delivery and operation, customs site delivery and operation, the use of retained business rates, skills and regeneration, alignment with wider initiatives, stakeholder engagement, security and compliance, Net Zero, risk management, and M&E and reporting.
  - The level of human resource devoted to delivering each part of the Freeport proposal. This should include FTE, function, indicative level of seniority/expertise, and how roles will be recruited (e.g., TUPE Local Authority staff, temporary contractor, contracted legal service, etc). Procurements associated with any contracted support should be set out in the Commercial Case.
  - The status of and, if applicable timescales for filling, all roles.
  - How partners will be held to account for delivering on their areas of responsibility.
  - Recruitment and remuneration policies should be provided at Annex J.

## 5c. Stakeholder management and communications

- Sets out a communications and engagement strategy which includes a plan for marketing the opportunities and benefits of the Freeport, a stakeholder map, and a detailed plan for engaging:
  - Prospective investors in the Freeport.
  - Local strategic stakeholders, including entities with a remit for (sub-)regional economic strategy.
  - Local innovation stakeholders (including LEPs).
  - Local political stakeholders (including MPs).
  - Local security stakeholders (including the police, Border Force, and HMRC).
  - Local education and skills providers (FECs, HEIs and skills provider base).

#### 5d. Building local expertise

- Sets out how long-term, sustainable capacity and capability will be built within the Freeport coalition, including using central government revenue funding. This should include a scenario in which further revenue funding is available in 2022/23 to 2024/25 and a scenario in which it is not.

#### 5e. Milestones

- Sets out key delivery milestones for each aspect of the Freeport proposal, including planned start and finish dates and key interdependencies. A project plan (e.g., Gantt chart or equivalent) should be supplied as Annex C. This should confirm the key activities and milestones from FBC submission (or prior) through until after the completion of all works for the site to be fully operational/occupied.

#### 5f. Risk management

- Sets out a risk management strategy that will allow effective monitoring and managing of risks and support a culture of well-thought-out risk-taking. A comprehensive risk register, setting out the probability and impact of risks, responsible parties, and mitigating actions, should be supplied as Annex D.

#### 5g. Security and illicit activity

- Sets out the key security and illicit activity risks associated with the Freeport and the new or existing mitigations in place. A full risk assessment should be provided at Annex B.
- Sets out the processes and governance arrangements in place for managing these risks and this risk register and how these are appropriate given the risks identified.
- Commits: (1) the Freeport governing body to an annual audit of security measures in place and any breaches, conducted in partnership with the Government; and (2) the Freeport governing body and all customs site operators to honouring the obligations set out in the OECD Code of Conduct for Clean Free Trade Zones and the UK's Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and registering with a Government approved supervisory authority to follow anti-money laundering regulations.

#### 5h. M&E

- Sets out where responsibility for meeting DLUHC's M&E and reporting requirements will sit and how these will be resourced. Provides written commitment to meeting these requirements and putting in place the necessary data sharing agreements with all users of the Freeport. Sets out any local M&E plans.

#### **List of Annexes:**

- Annex A – Logic model
- Annex B – Security and illicit activity risk assessment
- Annex C – Project plan
- Annex D – Risk register
- Annex E – Tax and customs site maps; high-level maps showing the locations of seed capital, and wider supporting, investments
- Annex F – Letters from all billing authorities on the use of retained business rates
- Annex G – A high-level (1-2 page) SWOT analysis summarising the key content of the Strategic Case
- Annex H – Letter from all customs site operators committing to counter illicit activity
- Annex I – Assumptions, references, and methodology for VfM analysis
- Annex J – Governance documents
- Annex K – A trade and investment strategy
- Annex L – An innovation strategy
- Annex M – Assumptions and methodology for retained business rates modelling
- Annex N – A skills plan
- Annex O – An equalities impact assessment

## 9. Assessment Criteria

9.1. FBCs will be assessed against the following criteria (corresponding FBC sections listed in parentheses):

- OBC Actions
  - Evidence that all OBC actions have been completed (Section 0)

### The Strategic Case

- Strategic Focus
  - Clear focus in terms of target sectors/markets (1b and Annex G)
  - Clear value proposition for target sectors/markets (1c, Annex A, and Annex G)
- Activity
  - Effective use of the Freeport levers including alignment with each other and wider initiatives – current and planned (1d, Annex A, and Annex F)
  - All evidence and information requested in this guidance and the Setup Phase and Delivery Model Guidance on the use of the Freeport levers provided (1d, Annex A, and Annex F)
- Strategic Fit
  - Rationale for intervention (1a and Annex G)
  - A clear articulation of the outcomes each activity will realise and how (1e and Annex A)
  - Outcomes in line with policy objectives (1e and Annex A)
  - A clear and credible plan for achieving Net Zero (1g)
  - Due consideration of equalities and appropriate mitigations (1h)
  - Due consideration of the environmental impact of the Freeport (1i)

### The Economic Case

- Options Appraisal
  - A credible shortlist of seed capital options, including an analysis of the value of the tax and customs benefits and the wider impacts listed at Section 2bi above (2bi and Annex I)
  - A robust VfM assessment for each shortlisted option, underpinned by a clear methodology and assumptions (2bii and Annex I)

- A robust assessment of the qualitative benefits and wider impacts of each option, covering all the considerations listed at Section 2biii above (2biii, 2biv, and Annex I)
- A robust options assessment demonstrating the benefits of the preferred seed capital option and why Freeport measures should be deployed in accordance with it (2a, 2b, 2c, and Annex I)

## **The Financial Case**

- Seed capital funding
  - A robust plan for financing seed capital investments, with evidence that this will be delivered to cost (3a and 3c)
- Complementary Investments
  - A clear profile of complementary investments (3a and 3c)
- Financing Delivery
  - A detailed and credible plan for financing the Freeport up to 2024/25 (3a and 3c)
  - A credible high-level plan for financing the Freeport from 2025/26, including evidence that the Freeport will become self-financing (3a and 3c)
- Case for Further Revenue Funding
  - A clear plan for using any further revenue funding and statement of why it is needed (3a, 3b, 3c, and 5d)
- Retained Business Rates
  - Credible modelling of income from retained business rates growth over the 25-year period, including details of any borrowing against future income and associated costs (3a and Annex M)

## **The Commercial Case**

- Effective Site Management and Delivery
  - A credible delivery plan and management strategy for each proposed tax site (4a)
  - A credible delivery plan for each proposed customs site (4b)
- Marketing

- A credible marketing strategy for the Freeport as a whole and, as applicable, individual tax and customs sites (4c)
- Procurement
  - A clear statement of all planned procurement involving Freeport seed capital or revenue funding (4d)
  - A robust procurement strategy and contract management and risk transfer approach (4d, 4e, and 4f)
- Public Sector Borrowing
  - (If applicable) a clear summary of all planned public sector borrowing and evidence that this will be prudent, affordable, and sustainable (4g)
- Subsidy Control
  - A robust assessment of and approach to managing subsidy control considerations (4h)

## **The Management Case**

- Governance and Management
  - A detailed statement of the long-term governance arrangements for the Freeport (including key governance documents), why these are appropriate, and how they will evolve over time as needed (5a, 5b, 5g, and Annex J)
  - A clear statement of any changes to the arrangements set out in the OBC (5a, 5b, 5g, and Annex J)
  - A clear and well justified schedule of delegation, allocating of accountability and delivery responsibility for each element of the Freeport proposal (5a, 5b, 5g, and Annex J)
  - Evidence of appropriate memberships for the governance body, subcommittees, and delivery teams, with clear and well justified roles and responsibilities for all key stakeholders, including private and public (5a, 5b, 5c, 5g, and Annex J)
  - Evidence that the necessary expertise will be available to facilitate effective Freeport delivery, including how this will be recruited, developed, and, if appropriate, contracted (5a, 5b, 5d, and Annex J)

- Clear timescales and processes for changes to governance and management arrangements, including recruitment and any plans for incorporation (5a, 5b, and Annex J)
- Stakeholder Management and Comms
  - A robust plan for engaging all key stakeholders (5c)
  - A robust plan for promoting the Freeport and attracting investment (1d and 5c)
- Delivery
  - An appropriate risk management strategy (5f, 5g, Annex B, and Annex D)
  - Robust implementation plans (5b, 5e, and Annex C)
- Security
  - Appropriate structures, governance arrangements, and processes in place for managing security risks (5a, 5b, and 5g)
  - Commitments to uphold security obligations (5g and Annex H)
  - A clear assessment of security risks and plan for managing them and, if necessary, resourcing this management (5g and Annex B)
- M&E
  - A clear plan for managing and resources DLUHC's M&E and reporting requirements (5h)
  - Written commitment to meeting these requirements and implementing necessary data sharing agreements (5h)
  - A statement of any local M&E plans (5h)