

## FREEPORT EAST SHADOW BOARD

<b>MINUTES OF MEETING HELD ON 3 SEPTEMBER 2021</b>	
<b>virtual meeting</b>	
<b>Present</b>	George Kieffer (Acting Chair), Mark Taylor (Acting CEO, Hutchison Logistics), Clemence Cheng and Paul Davey (Hutchison Ports), Robert Edge (Haven Gateway Partnership), Chris Starkie and Mike Dowdall (NALEP), Andy Burgess (Essex County Council), Michael Cousens (Project Manager), Michelle Gordon (Babergh and Mid Suffolk District Councils), Guy Gibson and Jai Raithatha (Suffolk County Council), Paul Wood and Andy Jarvis (East Suffolk Council), Ian Davidson and Lee Heley (Tendring District Council) and Alex Riley (SELEP)
<b>Observers</b>	Emily Wright (MHCLG lead on Freeport East) and Avraham Goodman (MHCLG)
<b>Apologies</b>	Steve Evison (Essex County Council), Mark Ash (Suffolk County Council), Fiona Duhamel (Babergh and Mid Suffolk District Councils), Neil Glendinning (HHA) and Anita Thornberry (HGP)
<b>1.</b>	<b>Welcome and introductions</b>
	GK welcomed everyone to the meeting and apologies were received as above. A welcome was extended to Emily Wright and Avraham Goodman from the MHCLG.
<b>2.</b>	<b>Minutes of the last meeting</b>
	The notes of the meeting held on 30.06.21 were approved. In terms of Uniserve, there has been no further correspondence from them, but it is hoped they will still see value in being a customs site of Freeport East. There were no other matters arising.
<b>3.</b>	<b>Declarations of Interest</b>
	GK confirmed that work was ongoing with East Suffolk Council (as Accountable Body) to devise a form that will minimise bureaucracy and capture relevant declarations. This will be circulated in due course. In the meantime, declarations of interest arising from the employment of Shadow Board members were noted.
<b>4.</b>	<b>Timeline update – OBC and FBC plus designation</b>
	<ul style="list-style-type: none"> <li>• A third window for submission of OBCs was announced earlier in the day (22.11.21) but the intention still remains for us to submit our OBC on 10.09.21.</li> <li>• The deadline of 29.10.21 for the submission of FBCs has been postponed in order to enable those who have already submitted (and those who are submitting by 10.09.21) an opportunity to get operational. New deadline is 10.12.21.</li> <li>• For a Freeport to be operational, it requires an agreed OBC, one approved tax site and one approved customs site. The OBC enables the Freeport to operate and the FBC unlocks the seed capital.</li> <li>• After submission of the OBC, the Government expects to provide critical actions within a month although EW hopes to be able to provide feedback very quickly</li> </ul>

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	given her role.
<b>5.</b>	<b>Revenue funding – latest statement of account</b>
	<ul style="list-style-type: none"> <li>• Statement of expenditure as at 27.08.21 noted. Balance remaining of £56k.</li> <li>• Further revenue funding from the MHCLG will be available during the next financial year.</li> </ul>
<b>6.</b>	<b>Capital seed funding – summary of minimum, central and unrestricted asks</b>
	<ul style="list-style-type: none"> <li>• Information in relation to three levels of submission for capital seed funding against the three tax sites considered.</li> <li>• The proposed allocations have been based on a deliverability timeline. Felixstowe is based around the former existing site and has planning permission in place and a number of interested parties. Gateway 14 also has planning permission in place with aspirations around Net Zero and an innovation and skills development aspect. Bathside Bay is a modest ask in Scenarios 1 and 2 based on the amount of activity that needs to be carried out to condition the site, which is reflected in Scenario 3.</li> <li>• The development of Bathside Bay will be a huge opportunity for neighbouring deprived areas in terms of skills development. The work done now with education establishments will bring opportunities for lifetime jobs locally. Need to avoid duplication in terms of a Skills Centre and the training provided and take account of travel-to-learn patterns and limitations. Also need to think broader than an A120 improvement programme. MG confirmed that this had all been picked up by the Skills Workstream.</li> <li>• Total seed pot available to all Freeports is £180m with the allocation of funding carried out on a RAG rating process according to OBCs. This is neither competitive nor political.</li> </ul>
<b>7.</b>	<b>Outline Business Case – overview and feedback</b>
	<ul style="list-style-type: none"> <li>• As drafted, the OBC has a funding gap which the MHCLG will be looking at our plans to address this gap when assessing the OBC. HM Treasury also carry out its own assessment of submitted OBCs.</li> <li>• The Board acknowledged the immense hard work that has taken place in order to pull together the OBC, particularly from MC as the Project Manager. As a result, we are on target to submit on 10.09.21. The meeting wished to record its thanks to MC, MT and the Working Groups for their input.</li> <li>• The current version incorporates all partner comments made to date. Only matters of refinement will be carried out now rather than making any further substantial changes.</li> <li>• Agreed that the IOT bid from the University of Suffolk should be included in the list of pipeline projects.</li> <li>• Staffing structure model – need to ensure that part time staff are released for the</li> </ul>

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	<p>appropriate amount of time by their host organisation.</p> <ul style="list-style-type: none"> <li>• Agreed that it should be implicit within the document that there are companies already very interested in being involved in order to give the OBC strength.</li> <li>• OBC and FBCs are subject to FOI requests to the MHCLG. The MHCLG has not yet received any and would only issue information along with an agreement as to its further use. EW will clarify this outside of the meeting.</li> <li>• The Board approved the OBC subject to the proposed amendments made in points 8 and 9 below.</li> <li>• MC was requested to circulate the relevant chapters to Board Members before submission. <b>ACTION</b></li> </ul>
<b>8.</b>	<b>Governance – proposed members of company</b>
	<ul style="list-style-type: none"> <li>• Our bid states that the corporate entity will be a company limited by guarantee and originally it was proposed that membership of the company, but not the Board, should be open to any interested parties. After discussions, the meeting concluded that this was too wide and that membership should be restricted to those organisations who are current members of this Board.</li> <li>• PD proposed an amendment to tighten up the wording of the OBC to read that formal membership of the company should be limited to the companies currently represented on the Shadow Board. The Board approved this amendment. MC to confirm the names of those who will be formal members. Members representing custom sites will be involved but will not be full members.</li> <li>• The Board agreed that Freeport East should demonstrate public accountability by holding an Annual Meeting open to all.</li> </ul>
<b>9.</b>	<b>Management Board – summary of proposed resources</b>
	<ul style="list-style-type: none"> <li>• In terms of the proposed structure, a total of 4.6 FTEs is proposed. Clarity around the model to be used is required, particularly regarding host arrangements and management bearing mind that employment by Freeport East would require an HR function. East Suffolk Council already has these structures and associated policies in place.</li> <li>• Agreed that a full time Chief Executive was required.</li> <li>• EW indicated that the resourcing proposed was minimal and additional resources in relation to project delivery would be welcomed. It was generally accepted that it is hard to employ more people without specific reassurance from Government regarding the terms of revenue funding. The MHCLG has asked HM Treasury about the need in terms of RDEL funding availability and longer-term funding from the business rates programme.</li> <li>• East Suffolk Council’s Monitoring Officer and Section 151 Officer have raised questions in relation to their responsibilities in terms of the Freeport which require</li> </ul>

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	<p>clarity.</p> <ul style="list-style-type: none"> <li>• Discussion around whether a part time Chief Executive is viable given the number of partners they will need to work with.</li> <li>• MC to seek clarity in relation to the recruitment/hosting arrangements and will also build in a degree of flexibility before circulating for comment.</li> <li>• Agreed to review and address comments expressed by EW over sufficiency of resources in the final OBC.</li> </ul>
<b>10.</b>	<b>Tax Sites – any variations from bid submission</b>
	<p>Agreed that the bid should be submitted with the three tax sites with the only variation being to exclude the land belonging Stanton Europark. Unless we are notified of a change in view by Maritime before 10.09.21, they will be included.</p>
<b>11.</b>	<b>Customs and security – overview of position</b>
	<ul style="list-style-type: none"> <li>• In wider discussions amongst other Freeport sites there is a degree of disquiet in terms of obligations potentially outweighing the benefits. In essence, a customs site operator takes on all the liability and the tenants all the benefits. Some Freeports are struggling to find anyone willing to be the customs site operator.</li> <li>• Agreed that this will require further engagement with Government for them to look at the obligations and make these more proportionate to the benefits of becoming a customs site. The MHCLG is aware and striving to influence HMRC and if there has been any misunderstanding in terms of the obligations, then EW is happy to facilitate a discussion with HMRC.</li> <li>• We are not obliged to appoint a customs site operator at the OBC stage of the process.</li> </ul>
<b>12.</b>	<b>Any Other Business</b>
	<ul style="list-style-type: none"> <li>• The expenditure required to support the FBC has been budgeted for and work on this will begin as and when we have the further detail required.</li> <li>• GK advised that the transport and logistics ERDF programme had received additional funding from MHCLG with the project extended now to November 2022.</li> <li>• GK requested that MC provide a one page summary of the finalised OBC bid for use by partner organisations and to send this to MPs to keep them apprised of the progress being made.</li> </ul>
	Meeting closed at 12:55