

**FREEPORT EAST SHADOW SUPERVISORY BOARD**

<b>MINUTES OF MEETING HELD ON 12 JULY 2022</b>	
<b>Present:</b>	<b>Shadow Supervisory Board Members:</b> George Kieffer (Acting Chair), Mark Taylor (Acting CEO, Hutchison Ports), Cllr Steve Gallant (East Suffolk Council), Cllr Neil Stock (Tendring District Council), Emily Atack (Gateway 14), Cllr Richard Smith (Suffolk County Council) and Chris Starkie (NALEP)
<b>Others in attendance:</b>	Stephen Baker, Andy Jarvis and Chris Bing (ESC), Paul Davey (Hutchison Ports), Neil Glendinning (Harwich Haven Authority), Fiona Duhamel and Michelle Gordon (MSDC), Steve Evison, Rob Willis and Stephen Turner (ECC), Ian Davidson and Lee Heley (TDC), Marie Finbow, Michael Cousens and Mike Dowdall (NALEP), Andrew Cook, Guy Gibson and Jai Raithatha (SCC), Sudip Tailor (DLUHC - part), Alex Lucas and Peter Ware (Browne Jacobson)
<b>Apologies:</b>	Cllr Lesley Wagland, Professor Anthony Forster, Clemence Cheng, Paul Wood, Emily Wright, Cllr Harry Richardson and Anita Thornberry
<b>1.</b>	<b>Welcome and introductions</b>
	GK welcomed everyone to the meeting and apologies were received as above.
<b>2.</b>	<b>Minutes of the last meeting</b>
	The notes of the meeting held on 20.05.22 were approved. Matters arising: <ul style="list-style-type: none"> <li>• MT confirmed that the decision on the full business case is still expected in early September.</li> <li>• We are still awaiting the draft MoU from Government and ST undertook to obtain an update by close of play today.</li> <li>• Gateway 14 was congratulated on signing its first tenant.</li> <li>• SE updated the Board on ECC's levelling up bid. Modelling work has demonstrated a negative impact on traffic into Clacton from the original proposals. Necessary changes to the scheme would have made it much larger and therefore outside the scope on the Government's LUF bid. ECC has therefore developed an alternative bid which still focusses on connectivity between Clacton and Harwich but is a more flexible and cheaper intervention. Deadline for levelling up bids has been extended given that the portal is not yet ready. ECC would like the Board's support for the scheme in due course. SCC will also be submitting a bid although the links to Freeport East are marginal. Board support will be considered once the detail of both bids is available.</li> </ul>
<b>3.</b>	<b>Declarations of interest</b>
	None declared beyond those on record.
<b>4.</b>	<b>Freeport East incorporation update</b>
	<ul style="list-style-type: none"> <li>• Good progress has been made on the draft Articles of Association and the Members' Agreement. Comments made by the various partners have been distilled down and a further meeting is required to address the remaining points.</li> <li>• The company needs to be incorporated by 05.09.22 (latest) in order to employ the new Chief Executive and PD was concerned that we did not appear to have a Plan B should the MoU be delayed further.</li> <li>• In summary, the main areas of concern include the need for reference to the draft MoU, voting and approval mechanisms and the length that partners are obliged to remain part of the Freeport.</li> </ul>

	<ul style="list-style-type: none"> <li>• SG stated that a good degree of trust and support was required by all partners and whilst each has its own agenda in terms of its parent authority, decisions need to be made in the best interests of the Freeport.</li> <li>• The funding gap and the requirement of local authority partners is an area of concern, particularly as the role of the company in the tax sites and driving business rates income (which it has been suggested will repay any borrowing) is unclear.</li> <li>• UKIB has published its Investment Plan but we have not yet had a second consultation with them, although it appears that our project fits with UKIB strategic objectives.</li> <li>• Discussion around the need to separate the MoU from matters relating to incorporation in order to progress with the latter. The Articles of Association and the Members' Agreement are not 'set in stone' and can be tweaked as necessary in the future. We may need to strip the Articles and Members' Agreement back in order to allow for incorporation. PW advised his preference for the Articles and Members' Agreement to be concluded together and that the Members' Agreement should not be finalised without sight of the latest draft MoU. He further advised that the process of incorporation is fairly quick but will require some organisation and coordination of papers and signatories.</li> <li>• The Board agreed to progress quickly with incorporation to register Freeport East Limited based on simplified Articles of Association.</li> <li>• MT and MC attended the first SRO session in London on 05.07.22 and the status of Freeport East is well advanced compared to others.</li> </ul>
<b>5.</b>	<b>Full Business Case update</b>
	<p><u>Draft Critical Actions</u></p> <ul style="list-style-type: none"> <li>• We were granted a small extension to 22.07.22 in order to resolve some of the critical actions – nothing insurmountable and work is underway to address these. ST intimated a revised date of 29.07.22 which will need clarification.</li> <li>• DLUHC has advised us to provide full responses where we can but if we are not able to do this, then to provide a general direction of travel with further details to follow.</li> <li>• The Government is working to a Treasury Assessment Panel scheduled for September. We are targeting this Panel but should the timetable slip, there will be a six week delay.</li> <li>• Being able to answer the bigger questions around the finance model for Bathside Bay is key.</li> <li>• Subsidy control – subject to a lengthy Government consultation – places burdens on local councils with delegation of decisions on seed capital and business rate relief.</li> <li>• Given the July deadline above, it will not be possible to bring the responses to the FBC Critical Actions back to the Board for sign off in which case the Board agreed that delegated authority be given to the Acting Chief Executive and Lead Authority to sign the responses off.</li> </ul>
<b>6.</b>	<b>Tax Site Updates</b>
	<ul style="list-style-type: none"> <li>• The Range has signed up to a large modern distribution facility (1.2m sq ft) and will be investing in excess of £200m and creating 1,650 jobs. The Range shares Gateway 14's commitment to sustainability and is working towards a BREEAM Excellent net zero building. EA confirmed that the freeport status and tax site was a factor in their decision.</li> <li>• The site as a whole has outline planning consent and the Reserved Matters application has just been submitted. This will be determined in late October and the intention is for it to be operational by the end of 2023.</li> </ul>

	<ul style="list-style-type: none"> <li>• CS advised that The Range should be able to demonstrate how its business model fits with ours around key areas including skills, access, sustainability and innovation. EA is confident that this can be demonstrated and having freeport status has accelerated the development and interest in G14.</li> <li>• Infrastructure works are progressing and the roads are scheduled for completion by the end of 2022 and landscaping by Spring 2023.</li> <li>• Gateway 14 Skills and Innovation Centre – the skills audit report is expected later this week and will be shared on a confidential basis. Work with stakeholders to develop a model has already begun. The final element will be the actual design of the centre.</li> <li>• Felixstowe – currently progressing two enquiries under Non Disclosure Agreements (large state of the art building (site visit in August) and also the creation of a hydrogen hub).</li> <li>• Customs site – still going through the approval process with HMRC although Freeport East is well advanced compared to others. Anticipate receiving positive news within the next two weeks.</li> <li>• Harwich – much focus on the master plan, and the application for temporary use is dependent on this. Assurance provided that this work is still being progressed by HPUK. Further letters of support received from commercial interested parties (covered by NDAs). Looking to develop a multi-use green energy hub terminal.</li> <li>• The costs in relation to Bathside Bay will have increased in line with inflation and also arising from an updated design specification and these are currently being quantified. Expectation at present is that the support using local retained rates will not likely increase but additional sources of public funding may be needed and this is being explored. Opportunities to increase rental and other sources of income are also being considered through work on the financial model in order to provide a commercially acceptable rate of return.</li> </ul>
<b>7.</b>	<b>Update on Recruitment of Chief Executive</b>
	<ul style="list-style-type: none"> <li>• The new Chief Executive will start on 12.09.22 and is already taking an active interest in our FBC and critical actions.</li> <li>• Looking to recruit a Programme Manager to join the team as soon as possible with adverts due to be posted this week.</li> <li>• Office space identified in Harwich to be used as a base by the delivery team. ESC is looking to assist with some of the back office aspects.</li> </ul>
<b>8.</b>	<b>Any Other Business</b>
	No items
<b>9.</b>	<b>Confidential item: recruitment of Chair</b>
	<ul style="list-style-type: none"> <li>• Board Members and the Accountable Body representative (AJ) remained on the call to discuss employment of the prospective Chair.</li> </ul>