

**FREEPORT EAST LIMITED
SUPERVISORY BOARD**

Minutes of a meeting of the board of directors of FREEPORT EAST LIMITED (**Company**) held at Harwich and Dovercourt Hub on 22 June 2023 at 14:00pm.

PRESENT:	NAME	POSITION
	Mark Lemmon	Chair
	Steve Beel	Chief Executive Officer
	Cllr Richard Smith	Director
	Cllr Lesley Wagland	Director
	Chris Starkie	Director
	Dr Robert Singh	Director
	Andrew Lawrence	Director
	Emily Atack	Director
	Cllr Rachel Eburne	Director
	Cllr Ivan Henderson	Director
	Cllr David Beavan	Director

IN ATTENDANCE:	NAME	ORGANISATION
	Paul Wood	East Suffolk Council
	Lorraine Rogers	East Suffolk Council (S151 officer)
	Paul Davey	Hutchison Ports
	Lee Heley	Tendring District Council
	Andy Burgess	Essex County Council
	Jai Raithatha	Suffolk County Council
	Fiona Duhamel	Babergh and Mid Suffolk Council
	Sarah West	Harwich Haven Authority
	Simon Papworth	Freeport East
	Steven Wilson	Freeport East
	Daisy Newton	Freeport East

APOLOGIES:	NAME	POSITION
	Clemence Cheng	Director

1. Notice and quorum

The Chair declared the meeting open.

2. Welcome and Introductions

The Chair welcomed all attendees to the Freeport East Supervisory Board meeting and introduced our newest Directors to the meeting.

3. Minutes of the last meeting

The minutes of the meeting held on 19 April 2023 were **Agreed**.

There were no matters arising.

4. Declarations of interest

Each director present declared that they had no new interest which they were under a duty to disclose in accordance with section 182 of the Companies Act 2006 (The Act) in any existing transaction or arrangement or section 177 of the Act in any proposed transaction or arrangement with the Company or was otherwise required to be disclosed in accordance with the Articles.

Each director noted their requirement to inform the Company of any situation or transaction that would require further disclosure from them regarding their personal interests and any conflict arising (or potentially arising) from them.

5. CEO Update

The Chief Executive provided a recent update on Freeport East delivery. This covered the ongoing Company set up processes, site development updates, the process of implementing the MOU requirements, and the latest quarterly M&E submissions to Government.

An update was also provided on ongoing work to upload further documentation onto the website, in accordance with the Information Disclosure Policy approved at the previous meeting.

Updates were provided on sub-groups that supported the Executive team, including on comms, skills and transport/connectivity. Progress was highlighted in relation to the study with the REA on the Green Transport Hub, new analyses being commenced on hydrogen opportunities in maritime and logistics, creation of a panel of Innovation Champions and ongoing industry collaborations to target innovation funding.

The Chief Executive also highlighted ongoing engagement with UK Embassies around the world to support inward investment efforts, and next steps on the Innovation & Skills Fund and the Clean Growth Fund ahead of their announcement at the Freeport East event in Ipswich.

The Chief Executive informed the Board that DLUHC had held a site delivery visit on Monday 19th June which had gone well and was very constructive.

The Board sought clarification on next steps in relation to the Seed Capital allocations and the role of DLUHC. It was confirmed that, following completion and signature of the MoU, the allocations of seed capital funding would be governed by Freeport East Ltd and the Accountable Body and no further review from DLUHC was involved, save for resolution of the condition in the MoU relating to options analysis for the Harwich tax site.

The Board discussed conversations around the importance of rail investment at Haughley Junction and Ely and supported Freeport East providing strong and close cooperation with other partners. It was confirmed that Freeport East were working closely with Transport East, Chambers of Commerce and other partners in making the case to Government. Freeport East would be speaking at upcoming events hosted by Transport East (in Parliament) and the Mayor of Cambridge/Cambridge & Peterborough Combined Authority recognising the importance of this agenda to Freeport East net zero ambitions, supporting our role as an international gateway and reducing local impacts of freight movements. It was noted that many of the benefits were national in nature and investment at Ely has nation-wide support given its impact on importers/exporters across the country.

The Board requested an update in relation to Treasury consideration of providing an extension for the tax relief timeframe. It was confirmed that discussions were ongoing with Government to ensure the timelines for investment incentives properly reflected the original policy intent such that Freeports could deliver the outcomes intended.

6. Finance and Audit Committee Terms of Reference

The Board were asked to approve the proposed Terms of Reference for a new Finance & Audit Committee which would advise on the audit process, provide monitoring and oversight of Freeport East Ltd finances, and provide oversight on the collection and monitoring of business rate collection on the tax sites.

It was agreed that the independent Chair of the Board and s151 Officer from East Suffolk Council (as Accountable Body) should be part of the Committee with the s151 Officer acting as Chair. The Chief Executive should also attend together with finance teams from Freeport East Ltd and East Suffolk Council. The Board debated the merits of having an additional Director on the Committee and the role of section 151 Officers from the other Billing Authorities, beyond the Accountable Body.

It was noted that the Committee was intended to be advisory in nature and would report their deliberations and recommendations back to the Board as well as provide advice and support to the Chief Executive and wider team.

The Board **agreed** that an additional Board Director should be part of the Finance and Audit Committee.

Noting that the Board could not compel other s151 Officers to attend, the Board **agreed** that they should be invited to the first Finance and Audit Committee meeting and then review the need for their ongoing participation.

The Board **agreed** that point 4 under the Roles of the Finance and Audit Committee 'the suspension of the meeting by the Chair' paragraph should be removed as it was superfluous.

Action: A revised version of the Terms of Reference would be circulated for agreement at the next Board meeting with a view to the first meeting being held in

October/November. A process for identification of an additional Director to sit on the Committee would also be provided.

7. Update 23/24 Business Plan & Budget

The Board discussed the update on the process for finalising the budget for 23/24 in order to support final approval of the proposed Freeport East Business Plan, which had been approved in principle at the previous Board meeting.

It was confirmed that DLUHC are still considering providing more capacity funding but there is no confirmation when a decision will be made.

It was noted that the preferred funding option after discussion with section 151 Officers was for an advance to be provided through East Suffolk Council to cover the time-lag in receipt of business rate income on the tax sites. Freeport East were working closely with East Suffolk Council to progress this.

The Board asked questions around sites contributing to business rates. It was noted that the nature of the business rate setting process and role of the Valuation Office provided inherent uncertainty that made forecasting across multiple sites complex. However, developments at Gateway 14 meant business rate income would be accruing from early 2024. The tax site at Felixstowe was likely to be the next to provide some contribution and then Harwich.

In order to expedite the final approvals once the budgetary position had been confirmed, the final proposed Business Plan would be shared with officials in August before it is formally sent to Members.

8. Finance Update

The Board discussed the latest update on finances.

9. Whistleblowing Policy For Approval

The Board **agreed** the proposed Whistleblowing Policy, requesting minor amendments for readability and clarity of the document.

10. Update on DLUHC MoU Milestones

The Board considered and noted the update on delivery against the MoU milestones.

The Chief Executive noted that Freeport East were still waiting for feedback on satisfaction of the MoU condition in relation to Bathside Bay options analysis.

11. Update on Felixstowe Tax Site & Seed Capital Proposal

An update was given in relation to the development of the Felixstowe tax site, target sectors for occupation and ongoing inward investment conversations.

The seed capital allocation is designed to support and address key infrastructure constraints that prevent high value uses of the site, particularly those that demand access to high power capacity. The installation of new power infrastructure would support these types of uses and support the sites potential to support manufacturing activity for global exports given the unique location and connectivity of the Felixstowe tax site.

The feasibility study with Scottish Power for a green hydrogen facility had now commenced and would take approximately 18 months to complete.

Port of Felixstowe have also recently signed an agreement for an additional 100 battery-powered autonomous Q-Trucks. The order follows a tender exercise and a thorough testing and evaluation process.

12. Update on Freeport East Hydrogen Hub

The Board noted the Freeport East Hydrogen Hub update, including the opportunity to drive inward investment, decarbonisation of the logistics sector and opportunities for innovation through industry collaboration.

13. Update on Freeport East Reception 27th June

The Board noted the update on the local reception being hosted on the evening of Tuesday 27th June at Suffolk New College in Ipswich.

During the event Freeport East will announce the launch of our Freeport East Skills & Innovation Fund and the Freeport East Growth Fund. The event will be hosted at Suffolk New College and their newly opened Net Zero Skills Centre which provides the opportunity to accentuate the links and opportunities between Freeport East and the skills and green innovation sectors.

14. Any other Business

The next meeting is scheduled for 26 September 2023 in Stowmarket (venue to be confirmed).

The Board mentioned the need for appropriate risk analysis. CEO acknowledged that Freeport East have reviewed key risks and an updated risk register is in the preparation for the Board.

15. Close

There was no further business and the chair declared the meeting closed at 16:06.

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Mark Lemmon Chair

