

**FREEPORT EAST LIMITED
SUPERVISORY BOARD**

Minutes of a meeting of the board of directors of FREEPORT EAST LIMITED (Company) on 21st May, Council Chamber, Ipswich Town Hall & Corn Exchange, King Street, Ipswich, IP1 1DH

PRESENT:	NAME	POSITION
	Mark Lemmon	Chair
	Steve Beel	Chief Executive Officer
	Cllr Lesley Wagland	Director
	Dr Robert Singh	Director
	Clemence Cheng	Director
	Cllr Rachel Eburne	Director
	Cllr David Beavan	Director
	Sir Chirstopher Haworth	Director (Via Ms Teams)
	Andrew Lawrence	Director (Via Ms Teams)
	Lee Heley	Alternate Director
	Andrew Cook	Alternate Director

IN ATTENDANCE:	NAME	ORGANISATION
	Paul Wood	East Suffolk Council
	Paul Davey	Hutchison Ports
	Jai Raithatha	Suffolk County Council
	Samantha Jones	Essex County Council
	Nick Lambert	Harwich Haven Authority
	Michelle Gordon	Babergh and Mid Suffolk Council
	Emily Wright	DLUHC
	Marie Finbow	Freeport East
	Steven Wilson	Freeport East (Via Ms Teams)
	Daisy Newton	Freeport East

APOLOGIES:	NAME	POSITION
	Cllr Richard Smith	Director
	Cllr Ivan Henderson	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.

The Chair noted that Cllr Richard Smith sent apologies to the Supervisory Board meeting and Andrew Cook was nominated as Alternate Director for Suffolk County Council.

The Chair also noted that Cllr Ivan Henderson sent apologies to the Supervisory Board meeting and Lee Heley was nominated as Alternate Director for Tendring District Council.

3. Minutes of the last meeting

The minutes of the last meeting were agreed by all Board members.

It was highlighted there were no points of concern in relation to the Supervisory Board Action Log.

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.

Dr Robert Singh advised that the University of Essex may have submitted applications for the Skills and Innovation Fund.

5. Risk Summary and Work Programme Delivery update [confidential] (S)

This Board noted the contents of this report which provided a progress update against the delivery of the Freeport's Business and Delivery Plan including the Risk Register.

The Risk Register was reviewed and discussed which reflects Freeport East's current operating environment.

It was highlighted there is also a Financial Risk Register which is reviewed by the Finance and Audit Committee.

Key changes to the Risk Register were noted as: Risk No. 12 Deprivation Impact - which had increased from Green to Amber recognising that the delay in some of the funded programmes meant that demonstrating the wider impact of the Freeport had moved more slowly than planned.

Risk No. 21 Operational Costs had reduced in rating and Risk No. 23 Lack of Resources had reduced from Red to Amber.

It was noted that the staffing plan was recently reviewed by the Remuneration and Nomination Committee at the first meeting which took place last week.

The Board requested an update on Bathside Bay which would be provided at the next meeting.

It was emphasised that Tendring District Council's Planning Committee approved proposal for planning permission on the Bathside Bay Development last week.

It was noted that there are ongoing conversations and liaison with Government, DLUHC, Hutchison Ports UK and Freeport East regarding the financing of Bathside Bay.

Action: Freeport East to host the next Supervisory Board meeting in Harwich with primary focus on Bathside Bay including incorporating a site visit.

14:17 Cllr Wagland entered the meeting.

Cllr Wagland was in agreement with the minutes from the last meeting.

It was noted that the Business Plan was approved by the Supervisory Board at the last meeting and the Business Plan had now been circulated to our Members for approval, prior to publication.

The progress report was noted by the Supervisory Board against our 2024/25 workplan which closely aligns with our Risk Register.

6. Tax Site Extension Delivery Plan Framework – Update

The Board noted the following update.

The Board welcomed the news that the legislation to extend the period of tax reliefs to 10 years, through to 2031, had now been implemented.

It was noted that the Board previously approved the proposal in relation to the new skills levy that was submitted to, and subsequently approved by, DLUHC.

Freeport East provided an update that the Freeport will be working with the relevant Tax Site owners to implement the approved mechanism. Freeport East highlighted the importance of raising positive communication around the tax reliefs extension whilst expanding our network of interested parties.

Action: Freeport East to provide and update on Tax Site Extension Delivery Plan & Next Steps at the next Board meeting.

7. Finance and Audit Committee Update (S)

It was mentioned that the Finance and Audit Committee meeting took place recently, of which the Finance Risk Register was reviewed by attendees.

Retained rates forecast was cascaded to the Board in advance and will be discussed in Item 8 along with a recommendation for approval in agenda item 9.

14:24 Cllr Beavan entered the meeting.

8. Forecast on 23/24 Retained Rates Strategy and Interest Income

The Board noted the following document.

At the last Supervisory Board meeting the Retained Rates Strategy was approved by the Board. The Finance and Audit Committee recently reviewed this strategy, and this document is summarised for the Board. Inter alia, this will ensure support of the operational costs for this and the next financial year.

The Forecasting model along with the Strategy provides a foundation framework on decision making for the Board going forward.

Once the model is agreed it will provide an assessment for the amount of funding allocated into each of the funding Pots.

It was noted that approximately £500k of Pot C funds could be available in 2024/25 once interest income on cash balance and retained business rates are considered together. Pot C funds are available to be used to support objectives across the Freeport East area as determined by the Freeport East Board.

There was a discussion around the assessment framework and prioritisation of the process for allocation of Pot C, based on the framework and objectives already set out and approved in the retained rates strategy.

The Board noted the importance of a strategic approach to allocation of funds reflecting the balance between different objectives and limitations on the total pool of funds available.

The Board supported a further update and review of the strategic focus and application criteria before requesting any proposals from relevant stakeholders – clarity on the criteria upfront would also avoid the risk of conflicts of interest. It was noted that the approved retained rates strategy would shortly be published, which incorporates the initial objectives and assessment processes and this would aid overall transparency for stakeholders. The Executive would return to a subsequent Board with an update, building on the strategy and guide allocation of Pot C funds.

It was noted that the LEP transition and resolution of funds in relation to the Gateway 14 Enterprise Zone site will impact on the business rates available.

Action: Freeport East to progress publication of the retained rates strategy.
Action: Freeport East Executive to provide a further update to the Board on the criteria and process for Pot C prioritisation.

9. Appointment of Auditors

The Board noted the following document and were asked to approve.

Freeport East undertook a tender process for the appointment of Company Auditors in line with the Company's Procurement Policy and a preferred supplier (Azets) has been identified for approval by the Supervisory Board. Board members noted that the Assessment Panel consisted of Cllr Smith, Chair Mark Lemmon, CEO Steve Beel and Marie Finbow.

It was noted that Azets are a Top 10 UK accountancy and business advisory firm whose values corresponded with those of Freeport East.

The Finance and Audit Committee recommended Azets to the Supervisory Board to be appointed as the Company's Auditors on an initial 12-month contract – to be extended by a further 24 months based on satisfactory performance during the initial 12 months, and upon approval by the Supervisory Board.

The Board approved the Appointment of Azets as the Company Auditors.

10. Staffing Update

The Board received an update on the Freeport East Staffing Plan and noted the contents of the document. The Remuneration and Nomination Committee had previously discussed the staffing update.

The board noted recent appointments - 0.5x FTE Inward Investment Manager who has recently joined and a 0.6x FTE Communications and Marketing Manager will be joining the team on the 3rd of June.

Discussions are ongoing with local authority partners to explore opportunities for collaboration particularly where there are common skills requirements, for example in relation to economic development functions.

Some of the resourcing gaps which the Company are looking to fill in the coming months includes project management support, expertise to manage business rates forecasts and supporting the skills landscape and innovation agenda. These additional skills and resources would enable the Company to start to deliver more in terms of its ambitions in these areas. Freeport East Executive also continue to be keen to explore opportunities to collaborate with both local Universities, for example in relation to data analysis.

Freeport East continues to draw on external expertise, including Finance, IT and HR support through East Suffolk Council, as the Accountable Body, legal support as/when required and support through an external comms agency (whose contract has recently been extended for a further 12 months).

It was noted that the team is still below full DLUHC target numbers however, over the coming months, we will consider further opportunities to add resources to the team where prudent to do so.

11. Inward Investment Update

The Board were asked to note the contents of this document.

The document is our approach to strategically position Freeport East and the market with trade opportunities and connections and is our highest priority to enable investors to be attracted to our sites. It was pointed out that this is somewhat unpredictable with multiple challenges, but our main focus is to build key relationships and connections.

The framework was set out previously and Freeport East continues to develop this pipeline for reporting.

The Board highlighted the positive outcomes and some details of recent events and were pleased with the most recent REA event that took place at Westminster.

It was noted that Will Quince has been appointed as Chair for Transport East which Freeport East have great connections with.

12. Freeport East Funds Update

The Board noted the closing date for applications to the Skills and Innovation and the Clean Growth Funds of 10th May and a paper was shared with the board to summarise the proposals received.

A very strong mix of proposals had been received. The applications are now being assessed independently by PA Consulting (who are supporting us through their role with the Freeport Hub) before being assessed by an independent panel, chaired by Mark Lemmon and including S151 officer Lorraine Rogers, Cllr Rachel Eburne and Cllr Ivan Henderson.

13. Felixstowe / Harwich Ferry

The Board noted the contents of a paper circulated in relation to the current status of the ferry provision and next steps for Freeport East in terms of looking at enhanced connectivity.

There was a discussion around the connectivity of a ferry service between Felixstowe and Harwich including costs, benefits analysis and the working hours links.

Freeport East noted that an exercise is ongoing with Transport East for a Transport Masterplan which will help identify key transport investment priorities and would consider Harwich-Felixstowe connectivity within that.

14. Comms Update (S)

The Board noted the update on communications activity and the good level of social media activity and press releases (which have been almost one post per week) were highlighted.

It was noted that the positive announcement in relation to the planning approval for the Bathside Bay Green Energy Hub had made it to the regional BBC News.

Forthcoming media releases include the announcement of the Green Corridor partnership with East Midlands Freeport.

The Board noted plans for an engagement programme with young people which aligns with the Company's Business Plan / Work programme.

In terms of broader political engagement, a number of freeports, including Freeport East are also now working to engage in Westminster and national media with an objective of sharing positive case studies of what freeports are achieving and building stronger cross-party support and engagement.

Planned activities include parliamentary drop-in sessions with MPs and Lords (July) and a range of cross-party engagement and media articles to highlight positive existing examples and the potential for future developments around net zero, innovation and inward investment.

15. Forward Plan

The Forward Plan was noted and the main focus for the next Supervisory Board meeting will be an update on Bathside Bay and the meeting will take place in Harwich.

16. Any other Business

There was no further business and the chair declared the meeting closed at 15:41.

17. Close

The next meeting is scheduled for Thursday 23rd July 2024.

.....
Mark Lemmon Chair
.....