

Finance and Audit Committee

Held on 17th February 2026

Members:

Lorraine Rogers, S151 Officer, East Suffolk Council (Chair)
Mark Lemmon, Chair, Freeport East Ltd
Richard Smith, Director, Freeport East Ltd

Attended:

Steve Beel, CEO, Freeport East Ltd
Marie Finbow, Programme Manager, Freeport East Ltd
Daisy Newton, Executive Assistant, Freeport East Ltd (Minute taker)
Andrew Chapman, Finance Business Partner, East Suffolk Council
Melissa Evans, S151 Officer, Babergh & Mid Suffolk Councils
Holly Field, (on behalf of Louise Aynsley, S151 Officer), Suffolk County Council

MINUTES

1.	<p>Apologies for Absence</p> <ul style="list-style-type: none"> - Louise Aynsley, S151 Officer, Suffolk County Council - Stephanie Mitchener, Director of Finance, Essex County Council - Daniel Tooke, Head of Finance, Essex County Council
2.	<p>Minutes of the Last Meeting</p> <ul style="list-style-type: none"> - The minutes from the previous meeting were discussed. The minutes were approved as an accurate record of the meeting, with the exception of Item 4 which was to amend the date for East Suffolk Council's Audit and Governance meeting which took place on the 16th February. <p>Action: Minutes of last meeting to be updated to reflect the correct date of East Suffolk Councils Audit and Governance meeting.</p> <ul style="list-style-type: none"> - A question was raised regarding the Retained Business Rates generated by the Enterprise Zone on Gateway 14, which is forecast to be approximately £500K and whether discussions with SCC had taken place. It was noted that the CEO will discuss with Cllr Smith who best to engage with and whether this should be with the Suffolk and Norfolk Business Board or with SCC. - It was noted that all actions from the previous meeting had been completed. - The S151 officer advised that she would feed back to the CEO following discussions on the application and collection of accrued interest by the billing authorities whilst held in their accounts pending finalisation of the business rates agreement. - It was confirmed that a copy of the Joint letter to MHCLG on seed capital would be circulated to the Finance and Audit Committee. <p>Action: Joint letter to MHCLG on seed capital update to be shared with Finance and Audit Committee</p>

3.	<p>Finance Risk Register Review</p> <ul style="list-style-type: none"> - The Finance and Audit Committee received an update on the Financial Risk Register. - It was noted that a new Amber risk has been added in relation to Cyber-security. Following discussion, it was agreed to raise the risk to 9, rather than 6 (remaining Amber), reflecting that Freeport East is looking to undertake a fraud risk assessment to include risks around cyber security and arrange training for its employees. - The Committee enquired about whether funding had been set aside for cyber fraud training for Freeport East employees and were advised that there was a provision of £5k for staff training in the budget for the next financial year which should cover this. <p>Action: Cyber-security risk to be increased to 9 (remains Amber)</p> <ul style="list-style-type: none"> - It was noted that the seed capital risk had reduced from Red to Amber reflecting grant agreements being in place for all seed capital projects and all projects were underway. Freeport East will share the reprofiling of unspent seed capital from 25/26 with MHCLG in Q1 26/27 to reprofile for spend in 26/27. - It was noted that following the announcement of the elections, that there is now an exceptionally high short-term risk of disruption between now until the end of June to give time for a new administration to settle in. - It was noted that the April Board may be impacted both in terms of Directors' attendance and decision-making due to it being during a pre-election period. <p>Action: CEO to discuss at the next Supervisory Board around attendance / decision-making at April Board, given pre-election period.</p>
4.	<p>Budget Reports</p> <p>a) 2025/26 Budget Monitoring Report</p> <ul style="list-style-type: none"> - The Committee reviewed the latest Budget Monitoring Report and noted that the forecast spend is currently estimated at just over £1.18m. - It was noted that following 2 new FTE joining the team in January, the total staffing currently stands at just over 10 FTE. <p>b) Proposed Budget for 2026/27</p> <ul style="list-style-type: none"> - The Committee discussed the proposed budget for 2026/27 and considered the three options put forward as follows: <ul style="list-style-type: none"> o Option 1 – to propose that the Board should approve the full budget proposal of £1.65m (which includes £250k partnership and project development funding). o Option 2 - propose that the Board approves full core delivery cost proposal of £1.4m but excluding the partnership delivery sum of £250k. o Option 3 – propose that the Board limits the total budget to £1.25m as per 2025/26 - It was noted that all three options included a £50k contingency for core operating costs which was proposed to only be released following agreement from the Finance and Audit Committee who would retrospectively inform the Board. - Following discussion, the Committee agreed to recommend Option 1 to the Board. <p>c) Schedule of Disbursements for Seed Capital & Non-Seed Capital Grant Funding</p> <ul style="list-style-type: none"> - It was noted that there has been an additional £100k seed capital funding disbursed since the last meeting which relates to the Felixstowe power supply project and it was noted that Hutchisons are looking to tender for the contestable works shortly. - Following approval by the Board at their last meeting of a £50K contribution for Maritime Transport, this will be added as a separate line on the Non-Seed Capital Grant funding disbursements for ongoing monitoring by the F&A Committee. <p>Action: Include a separate line for Maritime Transport grant funding on Non-Seed Capital Grant Funding Disbursements</p>

	<p>d) Business Rates Forecast</p> <ul style="list-style-type: none"> - The Committee noted the latest Business Rates Forecast, which shows approximately £3.8m is expected to be lodged in Pot C by the end of this financial year.
5.	<p>Business Rates Agreement Annual Cycle of Obligations and Actions</p> <ul style="list-style-type: none"> - The Committee noted the Business Rates Agreement annual cycle of obligations and actions, which would be monitored by the Committee at each meeting as a Standard Agenda Item.
6.	<p>a) Review of Scheme of Delegation</p> <ul style="list-style-type: none"> - The Scheme of Delegation was reviewed by the Committee and no changes were proposed, other than the title which should be changed to read: 'Last reviewed: date of review'. <p>Action: Scheme of Delegation title to be updated to read 'Last reviewed: February 2026.'</p> <p>b) Review of Financial Controls</p> <ul style="list-style-type: none"> - The Committee reviewed the Financial Controls and noted that the document had been updated to reflect Freeport East now paying all invoices through their own bank account and reconciliation is completed on a monthly basis. - It was noted that the tender thresholds had also been updated to reflect the UK public procurement thresholds which came into effect on 1 January 2026 (including VAT) - The Committee were content to recommend the latest versions of the Scheme of Delegation and Financial controls to the Board for approval.
7.	<p>Update on implementation of Internal Audit Report</p> <ul style="list-style-type: none"> - The S151 officer advised that East Suffolk Council's Audit and Governance meeting took place on 16 February, attended by Freeport East, which was a follow up to the meeting held in November 2025 also attended by Freeport East. - The Audit and Governance meeting was satisfied with the progress made on seed capital projects and the implementation of the internal audit recommendations since the meeting in November. - It was noted that of the 17x internal audit actions, there are five outstanding, which are on track for completion within their target dates and the S151 officer will provide an update on these at the next F&A Committee meeting. <p>Action: S151 Officer to provide update on outstanding Internal Audit Actions at the next F&A Committee meeting.</p>
8.	<p>Forward Plan</p> <ul style="list-style-type: none"> - The Forward Plan was noted.
9.	<p>Any Urgent Business</p> <ul style="list-style-type: none"> - It was noted that this was the last F&A Committee meeting that Cllr Smith would attend as he would be resigning as a Director of the Company with effect from 10 May and the next F&A Committee meeting is taking place during the pre-election period when councillors are advised not to make decisions of a financial nature. - The Committee passed on their sincere thanks to Cllr Smith for his constructive, helpful and supportive contributions to the Committee since its inception. <p>There being no further business, the F&A Committee meeting closed at: 12:33pm.</p>

The next meeting: will be held on Tuesday, 7th April at 13:30 hours