

Minutes of a meeting of the East Midlands Freeport Board held on 10 September 2024 at Leicestershire County Council, County Hall, Glenfield.

PRESENT

Nora Senior – Independent Chair

Landowners/Developers

Phil Canning – Uniper
Steve Griffiths – East Midlands Airport
Matt Macdonald – Goodman
Andrew Pilsworth – SEGRO
Frank Robotham – Maritime Transport
Julie Rossiter – Etwall Land Limited

Local Authorities

Mr Lee Breckon CC – Leicestershire County Council
Councillor Keith Girling – Nottinghamshire County Council
Councillor Keith Merrie – North West Leicestershire District Council
Councillor Tony King – Derbyshire County Council
Councillor Stephen Taylor – South Derbyshire District Council

Accountable Body Officers

John Sinnott – Chief Executive
Nick Wash – Head of Service, Finance
Gemma Duckworth – Senior Democratic Services Officer

Also in Attendance

James Arnold – North West Leicestershire District Council
Justin Ives – Chief Executive, South Derbyshire District Council
Kath Marriott – Chief Executive, Rushcliffe Borough Council
Ministry of Housing Communities and Local Government (MHCLG) Officials
Tom Newman-Taylor – Chief Executive, East Midlands Freeport

Ann Carruthers – Leicestershire County Council (for item 8)
Maria Machancoses – Midlands Connect (for item 8)
Katie Greenhalgh – Head of Green Growth and Inclusion, East Midlands Freeport (for items 8 and 10)

Apologies for absence were received from Councillor Neil Clarke and Peter Ralston.

1.	<u>Declarations of Interest.</u> The Chair invited members who wished to do so to declare an interest in respect of items on the agenda. No declarations were made.	
2.	<u>Minutes.</u> The minutes of the Board meeting held on 19 June 2024 were confirmed as a correct record.	

3.	<p><u>Action Log.</u> The Board NOTED the list of outstanding and completed actions since the last meeting.</p> <p>In relation to the action around opportunities for collaboration, it was noted that collaboration forums were now taking place with East Midlands Combined County Authority (EMCCA).</p>	
4.	<p><u>MHCLG Update.</u> The Board received an update from the MHCLG representative on any developments since the new Government was elected in July.</p>	
5.	<p><u>Chair's Update.</u> The Chair provided the following update on activity since the last meeting:</p> <ul style="list-style-type: none"> • A very positive meeting with the EMCCA Mayor had recently taken place, where there had been an agreement to work more closely on a range of issues, including masterplanning, transport, and unlocking growth at East Midlands Intermodal Park and Ratcliffe. It was considered important to align with the EMCCA regional growth plans. More regular discussions would be arranged. • A letter had been received relating to a change of control at Maritime. The letter provided assurance that Maritime would continue to operate as normal, were fully committed to EMF and wished to continue as members. A response had been received from the new owners, Medlog, to confirm that they were a 'suitable person' as per the governance checks. All partners confirmed that they were happy for Maritime to continue as a Board member. The Chair would write to Maritime to inform them of this. • It was noted that EMF now had the top three global container lines operating from East Midlands Airport Gateway and Industrial Cluster (EMAGIC). 	NS
6.	<p><u>CEO Update.</u> The CEO provided an update on the recent visit to EMF from Alex Norris MP, who was extremely supportive. The CEO had also attended a meeting with Transport Minister, Lillian Greenwood MP, and had engaged with seniors within Government to raise awareness of EMF.</p> <p>A meeting had taken place with the local MP, James Naish, at Ratcliffe and the three EMF tax site MPs had been invited to attend the next Board meeting.</p>	TN-T

	<p>The annual performance reviews of EMF would be presented to the next meeting of the Board with an update on where MHCLG had identified areas requiring further work.</p> <p>Work had been taking place across Freeports on Government engagement and it was likely that there would be a roundtable policy discussion before the end of the year.</p> <p>In response to a query around progress with customs sites, it was stated that a meeting was due to take place with Space Park Leicester to agree a plan for operationalising its Customs Site Operator status. An update on progress would be provided to the Board in November.</p>	JR
7.	<p><u>Unlocking Site Delivery through Strategic Transport Interventions.</u></p> <p>The Board received an update on the approach to tackling strategic and local transport constraints, including a private sector led proposed solution to the J23a-J24 area of the M1 in the immediate term and a strategic approach to interventions across EMF sites through the seed capital funded Wider Integrated Strategy for Energy, Road & Rail (WISERR) project.</p> <p>Transport constraints were one of the main risks to the timely development of at least two EMF sites. A one year delay in the development of key plots at the EMAGIC south site and land south of the A453 at Ratcliffe were projected to cost around £30m in retained business rates for the region.</p> <p>Private sector partners were working collaboratively on a solution for J23a – J24 of the M1 and initial work had been completed on a proposed scheme. Significant work was required to develop and test the solution and there were other issues which the public and private sectors would need to collaborate on to deliver a solution within the timeframe required.</p> <p>For the WISERR project, a Strategic Transport Investment Plan and Programme Business Case was being developed. Between June 2024 and February 2025, growth was being modelled and solutions were being tested through a regional transport model and assessment tool. The shared model was in development with the aim of agreement by all parties. A green energy demand assessment was being completed to explore the interaction between energy and transport.</p> <p>An update had been provided to the Board in May by Midlands Connect, outlining the regional context, opportunities and initiatives underway. There had been</p>	

	<p>support from the Board for a collaborative approach and to work at pace to tackle the immediate challenges and this continued to be the case. A stakeholder meeting had been held recently to consider the actions needed to progress. It was noted that stakeholders had identified a number of issues and risks in progressing a proposed solution for J24 around timescales, modelling, safeguarding, funding, roles and responsibilities, and comms and engagement. Midlands Connect remained committed to working with partners and would provide regular updates to the Board on progress.</p> <p>In terms of modelling, it was essential that any projections stood up to scrutiny. It was important to develop a common approach in terms of modelling for all partners to use along with a robust evidence base. Further consideration would be given to funding and ensuring fair contributions from private sector partners; this was felt to be complex due to the number of developers involved and the fact that some projects fell into more than one boundary.</p> <p>It was proposed to have a dedicated resource and Leicestershire County Council had drafted a job description for a programme lead.</p> <p>One of the biggest challenges was the timescale for delivering the project. It was the intention for EMF and Leicestershire County Council to develop a critical time path, which would be aligned against resources. A further update would be provided to the Board later in the year.</p> <p>SEGRO reiterated the need for collaborative working and for all Board members to support the project. A piece of work was currently being undertaken, at pace, to determine the preferred model.</p> <p>The Board NOTED the update and AGREED:</p> <ul style="list-style-type: none"> a) That all members (plus EMCCA) endorse the actions required to mitigate risks and commit fully to working collaboratively and at pace to progress a solution to highway and planning constraints, in particular resolving the common approach to transport modelling and developing a funding delivery mechanism; b) That the timescales be discussed later in the year following the production of a project plan. 	CEO/Ann Carruthers
8.	<p><u>Tax Site Progress.</u> The Board received an update on current progress from all tax site operators.</p>	

<p>9.</p>	<p><u>Seed Capital.</u></p> <p>The Board received an update on the seed capital project status and finances. £25m seed capital had previously been conditionally approved by the Board across six projects.</p> <p>Funding agreements had been entered for WISERR, East Midlands Zero Carbon Innovation Centre, Future Energy Skills Hub, and the Section 151 Subcommittee had signed off conditions for the Ratcliffe Hydrogen Front End Engineering Design project with the funding agreement being finalised with Uniper. Conditions continued to be resolved for Ratcliffe Electrical Infrastructure and EMAGIC Electrical upgrade. An overview of project progress was given.</p> <p>£335,000 had been claimed by WISERR, with further claims from a number of projects expected in the coming months now that agreements had been entered and delivery was underway. £18,265,000 funding drawdown for this financial year had been requested on 20 May. MHCLG had confirmed that the request for payment on 14 October had been put forward.</p> <p>The Board NOTED the update provided.</p>	
<p>10.</p>	<p><u>Governance, Programme and Risk Update.</u></p> <p>The final Governance and Tax Site Management documents had been circulated on 9 August; some minor comments had been received which it was proposed would be accepted. It was felt that there were now no outstanding major issues. The CEO reiterated the importance of approving the governance documents and asked that all members give their agreement. If this was not possible, an urgent meeting would need to be arranged with the relevant legal representatives.</p> <p>Board members agreed in principle that they were happy to approve the final governance documents, subject to final drafting issues raised by the Billing Authorities, Uniper and Severn Trent. These would then be subject to individual approval. It was the intention to circulate the final version in the next two weeks and Board members would then be given a further week to confirm they were happy with the documents. It was hoped that within the next few weeks, final approvals could then be sought.</p> <p>The Board AGREED to resolve any remaining drafting issues within the next week and then to proceed as per the timeline detailed.</p>	

11.	<p><u>Quarterly Finance Update.</u> The Board received an update on the 2023/24 accounts and audit position, the latest projected RBR revenues over a 25 year period, the latest operational expenditure budget actual spend and forecasts and the overall near term forecast up to 2027/28. It was noted that the latest forecast spend was £2.294m, which represented an underspend of £0.206m.</p> <p>The estimated profile of RBR had not changed much since the last update. However, the level of certainty was being assessed and an update would be provided to the Board in November.</p> <p>In terms of the latest medium-term financial projections, there had been one change in the form of crediting interest on seed capital balances. Interest had been credited at less than 1% below the base rate. Leicestershire County Council had agreed to work with EMF and the Board to consider, in the context of RBR funds, options around managing the funds more dynamically. This would be reported back to the Board as part of the business plan in March.</p> <p>It was considered that there was a financial risk associated with seed capital funds and the amount of time they could be in the Accountable Body's account. This would be added to the Risk Register.</p> <p>The Board NOTED the update.</p>	<p>NW</p> <p>TN-T/NW</p> <p>TN-T</p>
12.	<p><u>Any Other Business</u> It was noted that this would be the last meeting for one of the MHCLG representatives. The Board thanked him for his support.</p>	
13.	<p><u>Date of Next Meeting</u> The next meeting of the Board was scheduled to take place on 10 October at 1pm at a venue to be confirmed.</p>	

2pm – 4.25pm

10 September 2024

Chair