

Minutes of a meeting of the East Midlands Freeport Board held on 14 December 2023 at County Hall, Glenfield.

PRESENT

Nora Senior – Independent Chair

Landowners/Developers

Phil Canning – Uniper
Peter Ralston – Goodman
Ioan Reed-Aspley – East Midlands Airport
Frank Robotham – Maritime Transport
Julie Rossiter – Etwall Land Limited
Imogen Smazanovich – SEGRO

Local Authorities

Mr Lee Breckon CC – Leicestershire County Council
Councillor Neil Clarke – Rushcliffe Borough 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

DLUHC Official
Paul Miller – Senior Programme Manager, East Midlands Freeport (for items 5-6)
Tom Newman-Taylor – Chief Executive, East Midlands Freeport

Apologies for absence were received from Councillor Keith Girling, Councillor Keith Merrie, Steve Griffiths and Andrew Pilsworth.

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 9 November 2023 were presented.	

	<ul style="list-style-type: none"> • The Board meeting in February would consider the remaining seed capital applications. Details would be circulated to the Board on the process for this. • Discussions had taken place with the UK Infrastructure Bank in regard to borrowing against future retained business rate income and a proposition would be worked up for Board consideration. • A workshop was due to take place next week to consider the skills agenda. There would be a focus on future energy skills and how the EMF could assist with this. Consideration would also be given to how to broaden participation in skills activities across East Midlands communities. • The Investor Enquiry Handling protocol would now be presented to the Board meeting in January alongside the Investor Marketing Plan. 	TN-T
6.	<p><u>Update on any Events/Milestones.</u></p> <p>Board members were given the opportunity to provide an update on any events/milestones which had occurred since the last meeting of the Board.</p> <p>It was reported that the Government had announced a second round of hydrogen allocation. The results for round 1 had now been announced and included schemes in the East Midlands.</p> <p>The office for the intermodal division of Maritime had now been developed at the East Midlands Gateway.</p> <p>It was noted that Maritime had been asked to participate in a scheme relating to electric charging for HGVs (not at EMF).</p>	
7.	<p><u>Autumn Statement and Associated Policy Announcements.</u></p> <p>The Board considered a report which provided an update of the Autumn Statement and highlighted the specific policy announcements of interest for the East Midlands Freeport, in particular the extension of the tax window to 2031. This was very positive news for EMF and would send a strong signal to investors. Government intended to set certain conditions around this extension and the Board would be kept informed of follow up information. It was stated that the EMF team may need to respond quickly, with support from TSOs, and if so this would be presented to the Board for written approval if it was not possible to wait until the next full Board meeting.</p> <p>Other announcements included:</p>	

	<ul style="list-style-type: none"> • A new £150m investment opportunity fund, which would be available over five years from April 2024; • DLUHC would publish a Freeport Delivery Roadmap in December, outlining the steps the Government would take to ensure Freeports were best able to capitalise on the opportunity the extensions presented • There had been no announcement on additional capacity funding for Freeports, but negotiations were understood to still be ongoing within Government. • The Government had also announced the next set of Investment Zones. • The Department for Business and Trade had announced its Advanced Manufacturing Plan in November. This included £4.5 billion of funding to support strategic manufacturing sectors over five years. • The Harrington Review on Foreign Direct Investment had now been published. The recommendations and Government response would be shared with the Board. <p>It was AGREED that the Board notes the update on the Autumn Statement and recent Policy Announcements. The EMF team would work closely with TSOs on finalising any negotiations for tax site extensions and then present these back to the Board early in 2024. If urgent, it may be necessary to seek written responses rather than waiting for full Board discussion.</p>	
8.	<p><u>Comms Update.</u></p> <p>The Board received an update on the revised plans for the launch of external communications activity and an overview of comms activity since the last Board meeting:</p> <ul style="list-style-type: none"> • The planned launch event had been cancelled but the first seed capital schemes had been announced at a successful East Midlands Energy Summit on 30 November. Consideration was now being given to holding a smaller event. • In terms of general activity, EMF was coordinating activities across UK Freeports to improve visibility and understanding of Freeports. • A communications strategy refresh was underway and would be shared with the Communications and Engagement Subcommittee prior to seeking Board approval in March. • The Chief Executive had recently given evidence at the Business and Trade Select Committee. The questions related to the issues faced by the region, the ability to make a lasting impact, what success looked like, 	

	<p>monitoring and evaluation, governance and what was needed from the Government to succeed. The Board would be kept informed as the Select Committee's work continued.</p> <ul style="list-style-type: none"> • Meetings with certain Parish Councils were due to take place in the new year. Community engagement activities would be stepped up in 2024 alongside developer activities. <p>The Board NOTED the launch update and the general activity undertaken. Thanks are to be given to Board members for their support across a range of activities. Board member organisations are invited to update the Board with any relevant communications events so that responses can be coordinated effectively.</p>	ALL
9.	<p><u>Alignment of East Midlands Freeport with the new Investment Zone</u></p> <p>DLUHC introduced the item, reiterating that, from a Government perspective, it wanted to see effective collaboration between EMF and IZ, and that it would not be willing to sign off any plans that undermined EMF and its existing plans. The timeframe for agreeing this was by April 2024.</p> <p>The Board received a presentation from Mark Rogers, interim chief officer of East Midlands Combined County Authority (EMCCA), on a proposal for alignment of the East Midlands Freeport with the new Investment Zone.</p> <p>Mark gave a general update on the establishment of EMCCA and confirmed that work was on track for a mayoral election to take place on 2 May.</p> <p>In relation to the East Midlands Investment Zone (EMIZ), this included three specific sites with a sectoral focus on green industries and advanced manufacturing.</p> <p>There were clear opportunities for alignment but careful thought was needed about the detail, and any incoming mayor would want the opportunity to review and discuss. It was suggested that a Strategic Oversight Board would be established in the new year, along with a model for an aligned governance structure. It was the aim to have a unified approach (a 'single front door') so that strategic opportunities could be jointly pursued.</p> <p>Arising from the discussion, the following points were raised:</p>	

	<ul style="list-style-type: none">• EMF was supportive of close working with the EMIZ and the EMCCA and the forthcoming Board Effectiveness Review would take into consideration the role of EMCCA more broadly in EMF governance.• The Chief Executive also highlighted some of the practical opportunities for collaboration around inward investment but also sharing investment strategies.• In response to a query around a Strategic Oversight Board and its proposed role, its scope was to ensure that organisations were being pointed in the right way and there was no duplication/conflict of efforts• There was a suggestion that “Strategic Oversight Board” was not an appropriate title and that this should not sit above existing Boards in governance terms. Assurance was given that this would be refined so that there was clarity around what was trying to be achieved. Ultimately, this would be to bring interested parties together to ensure the IZ and EMF were working in the same way. An alternative title could be a “Collaboration Forum”.• A key area of consideration was ensuring an accessible and coherent route for investors. It was hoped that EMF’s Inward Investment Strategy would help to achieve this.• There was a question around the term “single front door” and whether this was realistic as enquiries would always come through multiple routes. It would be necessary to ensure that any wider conversations were consistent and that there was a single message being delivered. Consideration would need to be given to how investor handling enquiries were dealt with.• A query was raised around the EMIZ scheme design, for example flexible funding arrangements. Work was still at an early stage but there would be five broad categories for the emerging EMIZ funding strategy.• It was recognised that there were currently a number of significant unknowns, for example no mayor had yet been elected and a number of members expressed concern that individuals could have different views to those which may be agreed in the interim. It was acknowledged that it was important to be transparent to make processes as smooth as possible and to have an agreement on a way forward which would be for the mayor/the Combined Authority and the EMF Board to determine thereafter.• A question was raised around whether this work could distract from EMF’s core mission. The EMF Chief Executive stressed that the core mission of the Freeport continued, but it was also vital to be aware of, and help	
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	<p>to shape, the changing wider landscape. He asked whether the Board was content for EMF to continue discussions with EMCCA and report progress to a future meeting. Although there was some concern around how much work should be undertaken before the election had taken place, it was agreed that discussions should continue, with the Accountable Body being involved, and the Board updated.</p> <ul style="list-style-type: none"> • A further update from EMCCA on its progress would be presented to a future meeting of the Board • A DLUHC representative commented on the aspiration for Freeports and Investment Zones to collaborate and for the two initiatives to be seen as complementary. It was the intention that final plans would be agreed by April 2024. It was important that an outline of the progress on the proposal was provided to DLUHC in the coming weeks. <p>The Board AGREED:</p> <p>i) that EMF, the accountable body and the interim EMCCA team give further consideration to proposals for alignment of EMF and EMIZ taking into account comments made at this meeting and with a progress report to be made to the Board;</p> <p>ii) that EMF and IZ teams start working on specific areas of common interest, for example around the development of the East Midlands Net Zero Innovation Centre, and opportunities for aligned communications efforts where appropriate;</p> <p>iii) that none of the above should side-track EMF from its core delivery, nor slow down the final sign off of governance documents and company formation.</p>	
10.	<p><u>Programme, Risk and Governance Update</u></p> <p>The Board considered an update on the risks and governance.</p> <p>With regard to governance, the MoU had now been signed, with an initial tranche of seed capital available to spend from January on the projects agreed at the last Board meeting.</p> <p>The Board NOTED:</p> <p>i) the current status of the programme across the elements listed in the report, specifically the highest scoring and new risks;</p>	
11.	<p><u>Board Effectiveness Review – Draft Terms of Reference.</u></p>	

	<p>As agreed at the last meeting of the Board, it was felt timely to review the effectiveness of the Board. The draft Terms of Reference for the review were presented and it was the intention for the Executive Delivery Team to start a short, targeted review of Board effectiveness.</p> <p>Discussions with individual Board members would be scheduled in the coming weeks. A draft report would be considered at the Board meeting in February, with final consideration by the Board at the meeting in March.</p> <p>Board members were clear the governance and subcommittees needed to factor in the scarce resources of the EMF and be proportionate to that.</p> <p>One area for consideration was that if EMCCA was to take a seat on the Board, this would disrupt the public/private sector balance. This needed careful consideration.</p> <p>The Board AGREED the Terms of Reference and for the Executive Delivery Team to start a short, targeted review of Board effectiveness. A report will be presented to the Board in February following discussions with Board members.</p>	
11.	<p><u>DLUHC Update.</u></p> <p>The DLUHC representative emphasised the significant progress that had been made over the year and the fact that there was optimism for the work to be undertaken in 2024. It was acknowledged that there were still issues to work on, but DLUHC was happy to assist where possible.</p>	
12.	<p><u>Tax Site Operator Update – Goodman/Etwall Land Limited.</u></p> <p>The Board received an update from Goodman/Etwall Land Limited on work currently being undertaken.</p>	
13.	<p><u>Date of Next Meeting.</u></p> <p>The next meeting of the Board would take place on 29 January 2024 at 2pm, as a remote meeting.</p> <p>The Board meeting in February would need to be an all day meeting to consider the seed capital applications.</p> <p>A meeting would take place in March (on a date to be agreed), and it was then the intention to hold meetings on a bi-monthly basis.</p>	

1.30 – 4.05pm

9 November 2023

Chairman