

Minutes of a meeting of the East Midlands Freeport Board held on 28 September 2023 at County Hall, Glenfield.

PRESENT

Nora Senior – Independent Chair

Landowners/Developers

Phil Canning – Uniper
Andrew Pilsworth – SEGRO
Peter Ralston - Goodman
Frank Robotham – Maritime Transport
Julie Rossiter – Etwall Land Limited

Local Authorities

Mr Lee Breckon CC – Leicestershire County Council
Councillor Keith Merrie – North West Leicestershire District 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
Melanie Bree, Senior HR Adviser, Leicestershire County Council (for item 7)
Katie Greenhalgh – East Midlands Freeport (for item 8)
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 Neil Clarke, Councillor Keith Girling, Steve Griffiths and Councillor Tony King.

The Chair confirmed that the meeting was quorate.

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 20 July 2023 were presented.	
3.	<p><u>Action Log.</u></p> <p>The Board considered the log of outstanding actions.</p>	
4.	<p><u>Chair's Update.</u></p> <p>The Chair provided the following update:</p> <ul style="list-style-type: none"> • On behalf of the EMF, a letter had been sent to the Business Select Committee in response to their inquiry into Freeports. • The second meeting of the Freeport Chairs Forum had recently taken place. • A meeting had taken place with Tim Reid, Chief Executive of the UK Export Finance (UKEF), after which a list of its contacts in the region had been made available. • A meeting had taken place with Rolls Royce and there was to be a further meeting with Toyota. • The Chair was due to meet with the mayoral candidates for the East Midlands Combined Authority. The Chair and CEO were due to attend the forthcoming party conferences with Midlands Engine. 	
5.	<p><u>CEO Update.</u></p> <ul style="list-style-type: none"> • The CEO reported that a change control request had been submitted to DLUHC for seed capital. It was noted that there would be no substantive release of seed capital until the MoU had been signed off and the business case had been approved. • Confirmation was still awaited as to whether the tax windows would be extended; an announcement could be made in the Autumn Statement. However, it was anticipated that any extensions would be conditional upon meeting specific milestones/conditions. • A number of wider regional projects were highlighted. Work was taking place with Midlands Connect and regional transport authorities on an enhanced strategic assessment to consider growth opportunities and what this would mean for transport infrastructure, with a particular emphasis on Junction 24 of the M1. 	

	<ul style="list-style-type: none"> Rushcliffe Borough Council had established a group to consider work at the Ratcliffe site and to create a single vision for the site. 	
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. None were reported.</p>	
7.	<p><u>Launch Plan.</u></p> <p>Work had taken place with the Communications and Engagement Strategy Subcommittee to plan a formal launch of the Freeport. Senior Ministers had been invited to attend the event and it was hoped that a response would be received by 6 October so that a date could be confirmed. The CEO stated that, if these were unavailable, the options were to scale back the event to a hosted visit and tour of the three sites or to delay the main launch to a later date.</p> <p>There would be three key elements to the event, including a main launch at East Midlands Airport, which would include a media presence. Work was taking place with the East Midlands Chamber of Commerce for the EMF to host a business roundtable event. It was recommended to step up targeted community engagement alongside these activities. The Leicestershire and Rutland Association of Local Councils sent regular newsletters to Parish Councils and it was suggested that this could be a method to promote engagement. Derbyshire and Nottinghamshire would also have a similar forum.</p> <p>Once a response had been received, a date for the event would be agreed. This would be circulated to the Board.</p> <p>The Board AGREED the recommendations contained within the report.</p>	Dan Cooper
8.	<p><u>Governance and Subsidy Control Update.</u></p> <p>The Board NOTED the update.</p>	
9.	<p><u>Retained Business Rates Forecasting and Programme Plan.</u></p> <p>The Board received an updated Retained Business Rates model. Based on current rateable value estimates,</p>	

	<p>once the CEVA and Maersk plots were occupied, the rates generated would be sufficient to cover the EMF operating costs and to have paid off the loan from Leicestershire County Council in time and below the maximum facility. It was noted that the overall estimated amount generated over 25 years was £957m (close to the FBC forecast).</p> <p>The assumptions gathered indicate that the tax sites would be fully occupied at EMAGIC by 2026/27, at Ratcliffe by 2030/31 and at EMIP by 2031/32.</p> <p>The accountable body confirmed that the assumptions appeared to be robust and represented a solvent financial position for the company. EMF officers would continue to work with TSOs and billing authorities to update the model quarterly and scrutinise the assumptions.</p> <p>It was queried whether the model and assumptions could be shared with the Board. The TSOs would be contacted to ensure they were content for the information to be shared.</p> <p>The Board asked to be updated promptly if there was significant variance from the forecast for EMAGIC 1 and once the rateable values of plots/occupants' premises had been confirmed.</p> <p>The Board:</p> <ul style="list-style-type: none"> a) confirmed that it is content that the model and the data provided by TSOs represents the new baseline for RBR; b) confirmed that this updated RBR model provides sufficient assurance on EMF's financial solvency; c) noted that this model will continue to be refined as part of the detailed programme planning used to track delivery of tax sites, particularly for sites with a longer development horizon; d) agreed that the data will be updated by quarterly commissions on tax site development, which will then be shared in some form with the Sites and Infrastructure Subcommittee to facilitate its role in supporting site development and unblocking. 	PM
10.	<u>EMF HR Policies.</u>	

	<p>The second pack of HR policies for EMF staff was circulated for Board approval. These included:</p> <ul style="list-style-type: none"> • Maternity, Paternity and Shared Parental Leave • Whistleblowing Policy • Expenses Policy • Recruitment and Selection Policy <p>The Board was asked to submit any specific comments about the documents to Melanie Bree via the EMF Secretariat by 6 October.</p> <p>The Board APPROVED the policies, subject to any comments being received.</p>	ALL
11.	<p><u>Green Growth and Innovation Update.</u></p> <p>The Board was provided with an update on current initiatives to support EMF’s green growth and innovation agenda. This detailed the approach being developed for longer term strategic delivery to ensure that key objectives were met.</p> <p>The Board agreed in principle, subject to agreement with TSOs, to submit a Statement of Ambition to join the World Economic Forum (WEF) Transitioning Industrial Clusters initiative. Uniper queried the wording around joining the World Economic Forum and it was agreed that a further discussion on this would be required before taking this forward.</p> <p>The Board AGREED the following:</p> <ul style="list-style-type: none"> • That the key initiatives underway be noted and their delivery supported; • That agreement be given in principle, subject to agreement with TSOs, to submit a Statement of Ambition to join the World Economic Forum (WEF) Transitioning Industrial Clusters initiative; • That comments be provided on the emerging strategic approach to green growth, innovation and net zero. 	
12.	<p><u>Tax Site Operator Update – Uniper.</u></p> <p>The Board received a presentation from Phil Canning, Uniper, on the current position at the Ratcliffe on Soar site and the East Midlands Hydrogen launch event which had taken place on 22 September.</p>	

	<p>Specifically in relation to the Ratcliffe site, a new Uniper strategy had recently been launched and work was ongoing around green and flexible power. The site was scheduled for closure in September 2024 and lots of work was being undertaken around redevelopment.</p> <p>Confirmation was given that British Gypsum was now a short term occupier of part of the site and a decision on the EMERGE site was expected in 2024 (delayed by approximately six months).</p>	
13.	<p><u>DLUHC Update.</u></p> <p>The following update was given:</p> <ul style="list-style-type: none"> • Assurance was given that the project change request was being dealt with as quickly as possible. • In relation to Investment Zones, approval of the Freeport was needed to progress Gateway 3. Further discussions were due to take place as a joined up approach was felt to be essential. • It was unlikely that there would be any announcement around Investment Zones in the East Midlands in the autumn statement. • An update would be provided on timelines for Investment Zones as soon as possible. 	DLUHC
14.	<p><u>Forward Look of Meetings/Agenda Items.</u></p> <p>Dates of future meetings had previously been circulated. However, these would be reconfirmed to check that the majority of members were able to attend to ensure meetings were quorate.</p>	TN-T/GD
15.	<p><u>Any Other Business.</u></p> <p>It was noted that the Conflicts of Interest Policy and Register of Interests document were being updated and would be circulated to Board members for completion.</p>	TN-T/PM
16.	<p><u>Date of Next Meeting.</u></p> <p>The next meeting of the Board would take place on 9 November 2023 at 10.30am at County Hall, Glenfield.</p>	

1.00 – 3.10pm

28 September 2023

Chairman