

Minutes of a meeting of the East Midlands Freeport Board held on 29 January 2024 via Microsoft Teams.

PRESENT

Nora Senior – Independent Chair

Landowners/Developers

Phil Canning – Uniper
Steve Griffiths – East Midlands Airport
Peter Ralston – Goodman (in the meeting until item 7)
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 Keith Girling – Nottinghamshire County Council
Councillor Tony King – Derbyshire County Council
Councillor Keith Merrie – North West Leicestershire 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
Richard Hiscoke – Bevan Brittan
Paul Miller – Senior Programme Manager, East Midlands Freeport (for items 5-6)
Tom Newman-Taylor – Chief Executive, East Midlands Freeport
Michael Green and Anna England-Kerr, DBT (for items 8-9)
Jon Rawcliffe, Inward Investment Lead, East Midlands Freeport (for item 8)

Apologies for absence were received from Councillor Stephen Taylor.

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 14 December 2023 were agreed.	
3.	<p><u>Action Log.</u></p> <p>The Board considered the log of outstanding actions and confirmed closed actions.</p>	
4.	<p><u>Chair's Update.</u></p> <p>The Chair provided the following update on activity since the last meeting:</p> <ul style="list-style-type: none"> • The annual conversation with DLUHC was due to take place on Thursday, 1 February. A report back would be made to the Board. • All bids for seed capital funding had now been received and the S151 Group was scrutinising these. The Board would have the opportunity to hear about each of the bids at the meeting on 1 March and ask any questions. The private sector members would then be required to leave the meeting to allow the public sector to have any final discussion before making a decision on where the funding would be allocated. Public sector members would be able to bring a named officer with them to this meeting (for the Seed Capital item only) given the public sector funding decisions required. • The Chairman of the East Midlands Development Company had written to members of the Development Company Board (which includes three Councils in membership of the Freeport Board) to say that he was now a member of the Freeport East Board. As a result, a potential conflict of interest had been flagged, including information presented to the Freeport Board, often in confidence, which could be made available to the Development Company Board. The Chair would explore this issue further, but as a result, she asked the Board to agree that observers to Board meetings should sign confidentiality agreements. • Due to work required on the Tax Window Extension, the Board Effectiveness Review would be delayed by a month and the interim findings would be presented to the Board at its meeting on 28 March. Board members who had not yet completed the questionnaire were encouraged to do so. A series of focus group discussions would also be held to support the review. • EMF had been leading on a Freeport wide approach to a public affairs brief, focused on raising the profile and myth busting. Two agencies had been shortlisted and 	NS/GD

	taken to a second round and arrangements between Freeports were being finalised.	
5.	<p><u>CEO Update.</u></p> <ul style="list-style-type: none"> • The CEO reported that the annual review process would need to include a security audit and it would be necessary to consider and update the security risk register. Leicestershire County Council’s Audit and Risk Team was providing expert support on this. • It was noted that a positive discussion had taken place with Diseworth Parish Council. • Confirmation had now been received from DLUHC that it was developing its own subsidy control scheme for business rates relief and seed capital, and it was expected that this would be published in February. No further details were yet available as to the content of the scheme. • A discussion would be held with DLUHC around transparency and the Executive Delivery Team would update the Board with a publication plan with a view to publishing core documents early in the new financial year. DLUHC confirmed that this would be post company formation. Freeports were already committed to the Nolan principles. • A discussion had taken place with officers of the interim Combined Authority around EMF working together with the Combined Authority on Investment Zones. A Working Group had been established and the revised Terms of Reference were being finalised – these would be circulated. • The Quarterly Programme Update and Finance Update had been circulated to the Board, for information. There might be potential for some additional capacity funding for Freeports and an update would be provided when known. 	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. No updates were given.</p>	
7.	<p><u>Tax Window Extension Submission.</u></p> <p>The Board considered a report which outlined that the tax window for Freeports would be extended to 30 September 2031. DLUHC had subsequently commissioned responses to a delivery plan for each Freeport, and each tax site needed to</p>	

	<p>meet these to qualify for the extension. The focus of the assessment was around the active progress of the tax sites and their commitment to the Freeport vision.</p> <p>The deadline for submission was 16 February, but it was the intention to send a draft response to DLUHC by the end of this week. It was expected that there would be a second window in March/April, but given the uncertainty around the timing of a General Election later in the year, there was concern that any decision may not be made or implemented in time if EMF did not meet the first deadline in February.</p> <p><i>The DLUHC representative left the meeting at this point.</i></p>	
8.	<p><u>EMF Inward Investment Plan.</u></p> <p>The Board considered a report detailing a more focussed and proactive approach to inward investment, ultimately aimed at accelerating the occupation of tax sites.</p> <p>Representatives from the Department for Business and Trade had joined the meeting for this item and indicated that the proposed plan was a very good launch point for investment promotion activities. They stated that there should be proactive marketing by Freeports that it was sensible to focus on a smaller number of sectors and specific opportunities. DBT offered its support where needed.</p> <p>A concern was raised that County Councils had not been involved in any discussions, despite having their own inward investment teams who could contribute. The Team noted the extensive engagement across regional inward investment partners in developing this paper. It was the intention to now formalise the Inward Investment Subcommittee, and County Councils and the East Midlands interim Combined County Authority would be asked to be involved.</p> <p>The Board APPROVED the approach and that the inward investment plan should be implemented, as outlined in the responses to the following questions:</p> <ol style="list-style-type: none"> 1. Invite DBT to give their view on this plan and how they can support <p><i>The Board agreed that EMF should work with DBT to implement the Plan, turning this into a structured programme of events and engagement.</i></p>	<p>TN-T/JR</p> <p>JR</p>

	<p>2. Do you agree with our analysis of target sectors and the specific areas of growth opportunity within these sectors?</p> <p><i>The Board agreed with the target sectors, with some refinement around energy subsectors. A further discussion would take place with Uniper on this.</i></p> <p>3. Do these complement the emerging plans (and masterplans) of our tax site operators?</p> <p><i>Board members agreed.</i></p> <p>4. Do you agree with our approach in terms of how to reach these target sectors (nationally & internationally)?</p> <p><i>The Board agreed that there needed to be a focus on a smaller number of sectors and on specific opportunities. It was also necessary to talk to the right people, not just intermediaries. Key was attracting businesses to the tax sites and determining whether there were any gaps in the supply chain that could be focussed on.</i></p> <p>5. Should we also be seeking to target capital investment as well as direct investment opportunities?</p> <p><i>Work would take place with TSO partners to see if there were projects with large capital requirements. DBT has offered its support.</i></p> <p>6. How should we measure success – and where should we aim to be by the end of this year?</p> <p><i>Board members would consider this further and respond to the Executive Delivery Team as part of the Business Planning process. Clearly, this was about generating suitable leads and translating these into site occupation.</i></p>	TN-T/PC
9.	<p><u>Investor Enquiry Handling Protocol.</u></p> <p>The Board considered a report which detailed the recommended process for enquiry handling and managing the relationships between EMF partners. The paper set out the ‘concierge’ role EMF would play in supporting inward investors through the customer journey, working closely with TSO partners. It was noted that the process was already working well and the team was ensuring that any enquiries were directed to the appropriate TSO.</p> <p>Board members agreed that the process was generally sound. There was consent to the principle of involving EMF early,</p>	

	<p>although there should be some judgement by TSOs as to what ‘the earliest opportunity’ meant. It was also suggested that any leads should be offered to all suitable TSOs.</p> <p>The redacted investor log would be shared with the Board and DLUHC on a quarterly basis. In terms of enquiries, it was agreed that dead and cold enquiries would be removed from the live list.</p> <p>The Board AGREED:</p> <ul style="list-style-type: none"> a. to note that EMF is also working closely with other regional inward investment bodies to ensure effective collaboration and that relevant enquiries are shared with EMF. b. to note the redacted enquiry log and the range of strong enquiries already handled by EMF. c. that the redacted log will be shared on a quarterly basis with the Board and relevant Government departments as part of the M&E process. EMF should engage with TSOs to ensure confidentiality issues are addressed. d. the process for inbound referral and management of investor enquiries: that EMF needs to be involved early in any queries relating to its tax sites (wherever they land first), noting that TSOs would exercise some discretion about how early to share. e. that EMF should continue to undertake a value-adding ‘concierge’ role right through the investor journey. f. that EMF, as part of this role, will undertake some initial due diligence and assessment of suitability to filter enquiries; and will help to guide investors towards the most appropriate opportunity/ies – bringing one or more TSOs into discussions at the right juncture based on the investor’s needs. g. to note EMF’s commitment to handle all enquiries professionally, engage with all TSOs fairly, respect commercial confidentiality and acknowledge the ultimate sovereignty TSOs have over their land. This includes acting with sensitivity around any publications/dissemination of investor discussions. h. to note that EMF will enter into NDAs with potential investors (with/without TSOs) where this is required. i. likewise, that TSOs must work closely with EMF on providing a timely and professional service to investors particularly where there is a good fit with EMF objectives. 	JR
10.	<u>RemCo Update.</u>	

	<p>The Board considered a report which provided the Terms of Reference and the decisions made by the EMF Remuneration Committee (RemCo) at its meeting in December. The Committee would determine the pay and reward policy for the Executive Delivery Team and Chair. It was due to meet in March to finalise the pay and reward policies for the Delivery Team.</p> <p>The Chair would undertake the annual appraisal of the CEO and would be approaching some Board members to ask for feedback to include in the appraisal discussions.</p> <p>The CEO and delivery team KPIs were currently being agreed and would be presented to the Board at its meeting on 28 March.</p> <p>It was noted that the RemCo meeting in December was not quorate when it met, but the Board agreed to endorse its recommendations.</p> <p>The Board AGREED:</p> <p>a) to approve the formal establishment of the RemCo in line with its Terms of Reference; and</p> <p>b) to approve the decisions made by RemCo in December;</p> <p>c) to provide an update to the Board on KPIs at its meeting on 28 March.</p>	TN-T
11.	<p><u>DLUHC Update.</u></p> <p>The DLUHC representative gave the following update:</p> <ul style="list-style-type: none"> • An Inception Visit would need to be arranged, following the signing of the MoU – this was essentially an assurance meeting with the Accountable Body. • DLUHC had shared its UK Freeport branding toolkit. The intention was for all Freeports to use this to promote the 'brand'. This information would be circulated to the Board and discussed at a future meeting. • DLUHC had contacted Freeports regarding transparency arrangements and was encouraging the publication of FBCs and MoUs, albeit with the necessary redactions. Freeports were also encouraged to publish key documents and minutes, with possible sanctions if this was not undertaken in a reasonable timescale. DLUHC also wanted to see that reasonable and proportionate steps were being taken to answer Fol 	DC

	<p>requests. Consideration would be given to which documents were appropriate to publish along with how to resource responding to a high number of Fols.</p> <ul style="list-style-type: none"> On this last point, it was noted that EMF was committed to transparency and would set out plans for further publications. Members would be consulted, for example, around redacting commercially sensitive information. It was also noted that the Fols rules did not legally apply to Freeports. 	
12.	<p><u>Any Other Business.</u></p> <p>It was agreed that progress with CSOs would be an agenda item for the meeting on 28 March.</p>	TN-T
13.	<p><u>Date of Next Meeting.</u></p> <p>The next meeting of the Board would take place on 1 March 2024 at 11.15am at Leicestershire.</p> <p>Future dates of the Board were as follows:</p> <p>28 March 2024 at 1.30pm at Leicestershire. 17 May 2024 at 10.00am at a venue to be confirmed.</p>	

2.00 – 5.05pm

29 January 2024

Chair