

# Solent Freeport Consortium Ltd (SFCL) Finance, Resources and Audit Committee (FRAC) Meeting Note

**Date:** 20 September 2022  
**Time:** 14:00 - 15:00  
**Venue:** MS Teams

Present	In attendance
Anne-Marie Mountifield - Senior Responsible Officer	Nicola Twiddy - LEP Executive
Brian Johnson - Freeport Chair	Richard Jones - LEP Executive
Edward Heron - NFDC - FRAC Chair	
James Fitzgerald - Accountable Body	
Malcolm Coe - Havant Borough Council	
Richard Parkinson - Solent Gateway	
<b>Apologies</b>	
Derek Pretty - Eastleigh Borough Council	

Agenda Item	Notes	Action
1.	<p><b>Introductions and apologies for Absence</b> Edward Heron welcomed all to the Solent Freeport Consortium Ltd (SFCL) Finance, Resources and Audit Committee (FRAC) meeting.</p> <p>Apologies were received from Derek Pretty.</p>	
2.	<p><b>Notes of the last meeting on 22 June 2022, matters arising and declarations of interest</b></p> <p>The notes of the meeting on 22 June 2022 were <b>agreed</b>.</p> <p><u>Matters Arising</u> All matters covered on the agenda for the meeting.</p> <p><u>Declarations of Interest</u></p> <ul style="list-style-type: none"> <li>- Solent LEP Executive in relation to servicing requirements and charging for the freeport.</li> <li>- Anne-Marie Mountifield in relation to item 4 update on SEED capital.</li> <li>- James Fitzgerald in relation to item 4 update on SEED capital.</li> </ul>	
3.	<p><b>Implementation Plan review and status update to include review of HM Government draft MOU</b></p> <p>The paper was taken as read and an update was given on the implementation plan. The Plan was due to be reviewed at the Treasury Approvals Panel on 10 September but given the period of National Mourning, it is expected that the panel may convene on 24 September.</p>	

	<p><u>MOU</u> All Freeports have to sign a MOU with Government with a range of signatories. A second draft has been circulated to committee members and a number of areas are still under review including:</p> <ul style="list-style-type: none"> <li>- Management of project change requests</li> <li>- Retained rates and the calculation of baselines</li> </ul> <p>FRAC provided the following advice:</p> <ul style="list-style-type: none"> <li>- The timetable for signing the MOU with HM Government would need to make provision for the Rating Authorities Full Council consideration and approval;</li> <li>- The timetable would need to make provision for an extraordinary Freeport Board meeting for sign off.</li> <li>- The Accountable Body would also need to formally consider their MOU before signing the document</li> </ul> <p>Finance, Resources and Audit Committee Members:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the FBC update and implementation plan in Annexe A;</li> <li>• <b>Reviewed</b> the implementation plan and provided advice on it ahead of providing an updated plan to the Board for their meeting in October 2022</li> <li>• <b>Noted</b> the HMG Freeport lead draft status draft report for June 2022, in Annexe B; and</li> <li>• <b>Considered</b> the v.2 draft HM Government MOU in Annexe C and provide advice and comments on the document to the Executive, Accountable Body and the Board.</li> </ul>	<p><b>Rating Authorities</b></p> <p><b>Board</b></p> <p><b>AB</b></p>
<p>4.</p>	<p><b>Finance Update</b> The Finance Paper was taken as read and a summary of the paper was provided. Key points covered were the expenditure and budgets to 2023 including the recruitment process for the 4 non-executive roles which are now included in the financial forecast., legal expenditure and consultancy fees for the FBC, SEED Capital due diligence and Retained Rates work.</p> <p>A discussion was held on:</p> <ul style="list-style-type: none"> <li>- membership fees for associate members</li> <li>- value for money benchmarking for the executive support services and</li> <li>- the development of an audit plan as the Freeport moves into the delivery phase</li> </ul> <p>Future years expenditure was discussed including future rating authority software costs.</p> <p>The risk register has been updated to include new risks on cost of living and inflation risks to the Freeport.</p> <p>Emerging HM Government policy on Investment Zones was also discussed.</p>	<p><b>AB to take forward FRAC</b></p>

	<p>Finance, Resources and Audit Committee Members:</p> <ul style="list-style-type: none"> <li>• <b>Endorsed</b> the revised budget for 2022/23 of £1,141,947 as set out in Appendix A and the forecast budgets for the period between 2023/24 and 2025/26 as set out in Appendix B and <b>Recommended</b> them for approval by the Solent Freeport Consortium Limited (SFCL) Board on 12 October 2022.</li> <li>• <b>Noted</b> the additional costs arising in the current financial year and the associated funding sources set out in paragraph 3 and <b>Recommended</b> them for approval by the SFCL Board on 12 October 2022.</li> <li>• <b>Noted</b> the requirement to begin to forecast the costs of collection, accounting and administration of the retained rates and <b>Recommended</b> that the Board agrees to factor these costs into the budget going forward.</li> <li>• <b>Considered</b> the corporate and strategic risk register at appendix C, provided feedback and <b>Recommended</b> it for approval by the SFCL Board on 12 October 2022.</li> <li>• <b>Considered</b> the retained rates risk register at appendix D, provided feedback and <b>Recommended</b> it for approval by the SFCL Board on 12 October 2022.</li> </ul> <p>Anne-Marie Mountifield and James Fitzgerald left the meeting (14.54).</p> <p>Richard Jones provided an update on the SEED capital funding programme.</p> <p>Finance, Resources and Audit Committee Members:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the update regarding the SEED capital funding programme</li> </ul> <p>Anne-Marie Mountifield and James Fitzgerald joined the meeting (14:58)</p>	<p><b>SFCL Board</b></p> <p><b>SFCL Board</b></p> <p><b>SFCL Board</b></p> <p><b>SFCL Board</b></p> <p><b>SFCL Board</b></p>
<p>5.</p>	<p><b>Any Other Business and date of next meeting</b></p> <p>An update was provided on the format of the Retained Rates Investment Committee meetings and it was advised that this work will need to come to FRAC for review. The Executive will canvass for a FRAC meeting in November.</p> <p>There was no further business, so the meeting was closed.</p>	<p><b>Executive</b></p>

**Meeting closed at 14:59**