



Solent Freeport Consortium Ltd Board Meeting Note

Date: 14 December 2022
Time: 16:00 - 18:00
Venue: MS Teams

Present	In attendance
Anne-Marie Mountifield – Senior Responsible Officer (SRO)	Paul Copping - Fawley Waterside
Brian Johnson – SFCL Chair	Alison Barnes - NFNPA
Alastair Welch - ABP	James Fitzgerald – nominated s.151 representative for the Accountable Body
David Williams - Portsmouth CC	Riccardo Cavallo - Exxon Mobil
Derek Pretty - Eastleigh BC	Ben Harraway - Portico
Edward Heron - NFDC	Peter Baulf - Portsmouth CC as the Accountable Body
Paula Swain - Solent LEP	Crispin Dick - Company Secretary
Rob Humby - HCC	
Sarah Bogle - Southampton CC	Executive support for Solent Freeport
	Nicola Twiddy
	Richard Jones
	Stuart Baker
Apologies	Guests
Aldred Drummond - Fawley Waterside	Daniel Thomas - KPMG
Gavin Parker - NFNPA	Lewis Atter - KPMG
Gerald Vernon Jackson - PCC	Selorm Davoh - KPMG
Jeremy Howells - University of Portsmouth	
Mike Sellers - Portico	
Narinder Bains - Havant BC	
Richard Parkinson - Solent Gateway	
Steve Thurston - Southampton Airport	

Agenda Item	Notes	Action
1.	<p>Introductions and Apologies for Absence</p> <p>The Chair welcomed all to the Solent Freeport Consortium Ltd (SFCL) Board Meeting. On the 7 December 2022 the Solent Freeport was announced as one of the first UK Freeports to be fully approved by Government. An update was provided on the Ministerial visit on 7 December 2022. Positive feedback has been received from DLUCH following the visit. The Board will now move into the implementation stage of the Freeport.</p> <p>Apologies were noted from: Aldred Drummond (Paul Copping is the nominated alternate), Gavin Parker (Alison Barnes is the nominated alternate), Gerald Vernon-Jackson (David Williams is the nominated alternate), Jeremy Howells, Mike Sellers (Ben</p>	

	Harraway is the nominated alternate), Narinder Bains, Richard Parkinson and Steve Thurston.	
2.	<p>Notes of the previous meeting of 12 October 2022, matters arising and declarations of interest</p> <p>The minutes from the Board meeting on 12 October 2022 were Agreed.</p> <p><u>Matters Arising:</u></p> <p>Page 1 - Board Attendance will be covered under Item 7.</p> <p>Page 2 - Engagement framework with Trade Unions will be picked up for the next meeting. The Chair has continued dialogue with the Union Representatives since their meeting attendance in July 2022.</p> <p>Page 2 - Navigator Quarter has been designated as a tax site.</p> <p>Page 2 - Revenue support funds - additional funds were drawn down in October 2022 and the balance is due in February 2023.</p> <p>Page 2 - member contributions will be covered under item 5.</p> <p>Page 2 - Freeport approval has now been given.</p> <p>Page 2 - Investment Zones - whilst Government is not taking forward this policy as originally envisaged , it is expected that they will update on the future of investment zone policy in the new year.</p> <p>Delivery of tax sites – following approval of the freeport it is recognised that a number of the incentives available are due to elapse in September 2026. It was agreed that freeports should look to engage with government on this with a view to seeking an extension.</p> <p><u>Declarations of Interest</u></p> <p>Item 6 Retained Rates Investment Plan</p> <p>Alastair Welch, Paul Copping, Rob Humby, Riccardo Cavallo, Edward Heron, Ben Harraway, David Williams, Paula Swain, Sarah Bogle, Narinder Bains, Richard Parkinson, Steve Thurston</p> <p>Item 8 (SEED Capital Funding)</p> <p>Alastair Welch, David Williams, Paul Copping, Edward Heron, Anne-Marie Mountifield, Paula Swain, Ben Harraway, Stuart Baker, James Fitzgerald, Steve Thurston, Richard Parkinson</p> <p>There were no further interests to note in addition to interests set out in the registers of members.</p> <p>In line with requirements under the articles of association and the HM Government Freeports Assurance Framework it was agreed that a further briefing would be provided at a future meeting</p>	<p>Executive</p> <p>Executive</p> <p>Accountable Body and Executive</p>
3.	<p>HM Government update</p> <p>It was noted that there were apologies from HM Government representatives and they provided a written update for the board as follows:</p> <p>Once the MOU has been signed and sent back to DLUHC, we will have it signed by our directors and process the seed capital payment</p>	

	Post meeting note – DLUHC officials will be doing a site visit to the Freeport in January (previously scheduled for 15 December).	
4.	<p>Solent Freeport Update to include:</p> <p><u>General progress update</u></p> <p>The paper was taken as read.</p> <p>In relation to the MOU, it was noted that following Local Authority and the Freeport board considerations, the MOU is due to be submitted to DLUHC on 21 December 2022. HM Government will then return the signed MoU to SFCL and make plans for scheduling the first capital seed funding payment, with the first payment expected to be received early in 2023.</p> <p>The SFCL Board:</p> <ul style="list-style-type: none"> • Reviewed the implementation plan in Annexe A; and • Noted the freeport approval letter in Annexe B; and • Noted the update on monitoring and evaluation for the freeport; and • Noted the update on the final draft HM Government MOU; and • Agreed the MOU and delegated authority to the Chair (in consultation with the SRO) to finalise and sign on behalf of the Solent Freeport Board. <p>Derek Pretty left the meeting (16:47)</p>	Chair & SRO
5.	<p>Report from the Finance, Resources and Audit Committee (FRAC)</p> <p>The paper was taken as read. The current budget and latest changes were highlighted, along with changes to member contributions for current and future years. An update on the SEED capital expected in February was also provided.</p> <p>It was agreed that a SEED capital project risk register would be provided for future meetings.</p> <p>The SFCL Board:</p> <ul style="list-style-type: none"> • Approved the revised budget for 2022/23 of £1,058,947 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. • Noted and Approved the budget updates in paragraphs 3.2 and 3.3. • Noted the risks surrounding partner funding contributions in paragraph 3.4 and Agreed to request short term cash flow support from the Accountable Body. • Noted the potential risk regarding rating authority contributions for 2023/24 as highlighted in paragraph 4.2. • Considered and Agreed the corporate and strategic risk register at Appendix C. • Considered and Agreed the retained rates risk register at Appendix D. • Noted the update regarding the SEED capital funding programme provided at the meeting. 	AB and SFCL executive
6.	<p>Report from the Retained Rates Investment Committee (RRIC) and approval of Retained Rates Investment Plan</p> <p>The paper was taken as read. As per the pre-condition in the MOU there is an expectation that by the end of the year, the Freeport should submit a plan that</p>	

	<p>sets out the strategic objectives of the retained rates pool, principles on borrowing, the governance around decision making on spending, and an investment strategy for the retained rates, to provide an indication of the types of interventions and possible beneficiaries.</p> <p>The plan will evolve over time, and this is a first indicative draft that the RRIC considered at their recent meetings in November and December 2022. At the meeting on 9 December, they also agreed to recommend the draft Retained Rates Investment to the SFCL Board for approval and advised that the Plan is submitted to Government with a letter from SFCL Chair.</p> <p>KPMG provided an initial presentation on the Investment Plan and a discussion followed and it was agreed that a further meeting would be arranged with Hampshire County Council to discuss the Retained Rates Investment Plan.</p> <p>It was also noted that a further briefing on the Subsidy Control Act 2022 would be beneficial prior to the submission of the plan.</p> <p>Sarah Bogle left the meeting (17:45)</p> <p>Following questions and a discussion, The SFCL Board:</p> <ul style="list-style-type: none"> • Noted this update 	<p>KPMG/SFCL/HCC</p>
<p>7.</p>	<p>Governance update</p> <p>The paper was taken as read. An update was provided to cover standardising meeting attendees,</p> <p>The SFCL Board:</p> <ul style="list-style-type: none"> • Agreed the policy in relation to meeting attendees as set out in paragraph 3, and; • Authorised the Executive and the Company Secretary to make any necessary amendments to the Articles of Association to reflect the agreed policy and to circulate any such amendments to the Core Members for approval and adoption, and; • Noted that the Solent Leaders Forum could provide a mechanism for formal engagement between the wider network of Local Authorities (in the Solent and neighbouring) and the Freeport Noting that neighbouring Authorities and Solent Transport are not on the Solent Leaders Forum. It was Agreed that should be explored further. <p>Ricardo Cavallo left the meeting (18:01)</p> <ul style="list-style-type: none"> • Noted the update in relation to executive recruitment, and; • Noted the update in relation to non-executive recruitment, and; • Agreed the revision to the RRIC Terms of Reference at Annexe A, and; • Agreed the recommendation from RRIC to co-opt Hampshire County Council onto the Committee, as set out in section 6 of the report. 	<p>Executive & Company Secretary</p> <p>Executive</p> <p>Executive</p>
<p>8.</p>	<p>Consideration of SEED capital projects</p> <p>As the Board was not quorate for this item, a written resolution will be shared following the meeting for this item.</p>	<p>Executive</p>

9.	<p>Any Other Business and Date of Next Meeting</p> <p>The next meeting is scheduled for 6 February 2023 via MS Teams.</p> <p>The Executive will look at a Board briefing on subsidiary control and related legislation in respect of freeport funding.</p> <p>No further business.</p>	Executive
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Meeting closed at 18:10