



**Solent Freeport Operations and
Delivery Committee Terms of Reference
DRAFT May 2023**

Context

The Solent Freeport Consortium Limited is a company limited by guarantee and was incorporated on 15 March 2021. Details on the Governance arrangements for the Company are set out in the Company's Articles of Association, which are [available here](#).

The company has been established in response to the Government announcing the Solent Freeport in the March 2021 budget. The Solent Freeport has now completed its 'set-up' phase for achieving Freeport designation, culminating in the approval of a Full Business Case (FBC) during December 2022.

The Solent Freeport Consortium Limited needs to maintain the governance and capacity required to oversee the 'delivery' phase. Appropriate governance arrangements are critical for delivering to the ambitious timescale for delivery and ensuring that appropriate measures of accountability and transparency are in place for the effective management of public funds.

The Freeport Full Business Case includes a management case where governance arrangements for the ongoing delivery of the Solent Freeport are detailed and all Terms of Reference will be reviewed throughout this process to ensure governance arrangements for ongoing delivery are effective.

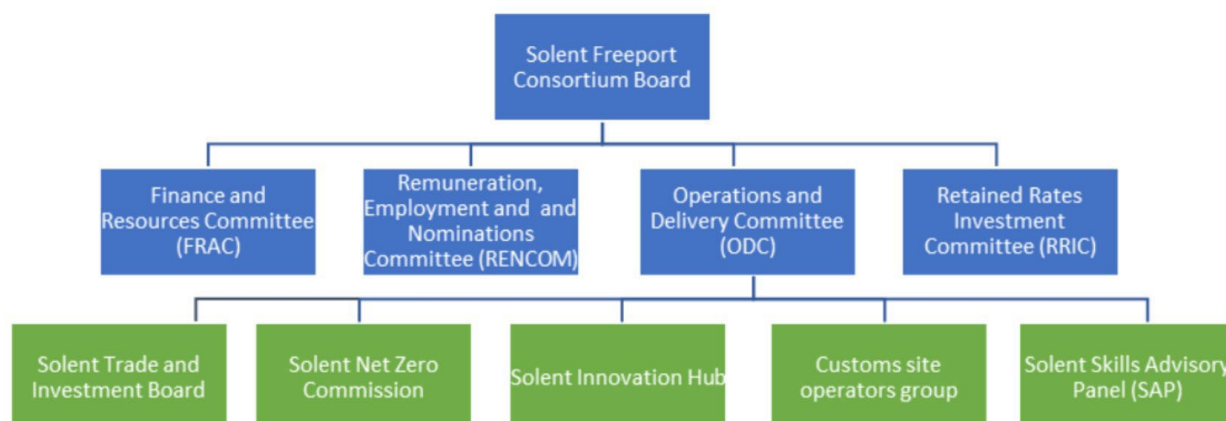
Portsmouth City Council is the accountable body for The Solent Freeport Consortium Limited and in this role is accountable for the proper use and administration of funding, all of which will fall under the annual audit of the local authorities accounts, and for ensuring that decisions are made in accordance with HM Government requirements.

In moving to delivering Solent Freeport outcomes and designing the appropriate strategies to facilitate delivery, the Board of Solent Freeport Consortium Limited requires further support, particularly on wider initiatives around skills, innovation, trade and investment and Net Zero.

Within this context, the Solent Freeport Consortium Limited Board has agreed to establish the Solent Freeport Operations and Delivery Committee (ODC) and the following document sets out the terms of reference for the ODC.

Overarching Governance Structure

The Board of The Solent Freeport Consortium Limited is the ultimate decision making body within the Solent Freeport structure. The Board have established a number of committees to support their work throughout the delivery phase as shown in the below structure diagram.



The Solent Freeport Consortium Board will have overall responsibility for all committees highlighted in blue. In line with the Government's requirement for the Solent Freeport to build on existing architecture in the area, the Solent LEP (and in the case of the Customs site operators group, one of the customs site operators) will take the lead responsibility for delivery of these forums.

It is anticipated that the governance structure will continue to develop throughout the evolution of the Solent Freeport and the Board will consider any future enhancements to the organisational structure within the context of their commitment to complying with best practice in terms of governance (as set out in the [UK Corporate Governance Code](#)).

The Board may delegate areas of work to committees or individual directors, however the Board and Portsmouth City Council as the Lead Authority will remain accountable for them.

Solent Freeport Operations and Delivery Committee Membership

ODC will consist of a maximum of fourteen members, to include;

- An independent non-executive director of Solent Freeport Consortium Limited, and;
- Representatives of each thematic group, namely;
 - Solent Trade and Investment Board,
 - Net Zero Commission,
 - Innovation Hub,
 - Customs site operators group, and
 - Skills Advisory Panel
- A representative from the Highways Authorities covering Solent Freeport Tax Sites, namely;
 - Hampshire County Council
 - Southampton City Council
- A representative from primary landowners at each tax site, namely;
 - Fawley Waterside Limited
 - Portsmouth City Council
 - ABP Southampton
 - Exxon Mobil
 - Solent Gateways
 - Southampton Airport

The Chair and Members of the ODC are appointed by the Solent Freeport Consortium Limited (SFCL) Board.

Ordinarily, the Terms of Service for these members shall be for three consecutive years with an opportunity to be reappointed for a further three years in exceptional circumstances.

There will also be ex officio support in attendance at every meeting including the Senior Responsible Officer for the Solent Freeport and / or Solent Freeport Consortium Limited Executive Director (or their nominated representative(s)) and the Chief Finance Officer (CFO) from the Accountable body Portsmouth City Council (or their nominated representatives). External advisers may be invited to attend for all or part of any meeting as and when appropriate.

Role of the Operations and Delivery Committee

The Solent Freeport Operations and Delivery Committee has been established to provide advice to the Board on operational matters relating to the successful delivery and operation of the Solent Freeport. In the first instance, this includes the development of an annual delivery plan and annual report in accordance with quality assurance processes set out by Government.

Deliverability is key and the ODC will support work needed to initiate and implement the delivery of the following key priorities and strategies for the freeport:

- Trade and Investment (including operationalising the customs sites)
- Regeneration and Levelling up (including securing HM Government agreement to the tax sites and to support their delivery)

- Innovation (which includes the development of the Solent Freeport Green Growth Institute)
- Net zero and natural capital
- SEED capital programme delivery

A key role for the ODC will be to coordinate and align the activity of those delivery vehicles outside of SFCL, including for trade and investment, skills, net zero and innovation (denoted in green) that will report to the ODC on implementation of the strategies for Trade and Investment, Innovation, Skills and Net Zero.

As noted in these strategy documents, the Solent Local Enterprise Partnership (LEP) will be responsible for taking the delivery lead for these. This is also reflected in the Service Level Agreement signed with Solent LEP. One of the Customs Site Operators (CSOs) will take responsibility for the CSO group and the link to the security forums in the Solent.

As demonstrated in the overarching governance structure, the ODC will have oversight of the overall delivery plan for SFCL and the sub-committees. Representatives from each thematic group will have a responsibility to report through the Operations Delivery Committee to the board and their commitment in relation to freeport activity will be enshrined in the delivery plan (to be published annually by SFCL).

Role of the Operations and Delivery Committee Chair

The Chair is responsible for the leadership of the Committee, ensuring its effectiveness on all aspects of its role.

The Chair will chair all the meetings of the Committee. The ODC members will nominate a Deputy Chair from amongst the other ODC Members to chair any meetings which the Chair may be unable to attend.

The Chair will be responsible for agreeing the agenda for each meeting 5 working days in advance of the Meeting and deciding the order of matters to be discussed.

The Chair will decide the order in which members will be called to speak ensuring that all members present, who wish to, are given an opportunity to speak and also seeking to ensure that all views are fairly represented.

The Chair may suspend the meeting if in his or her view this is necessary; for whatever period of time he or she thinks appropriate.

Following consultation with the Members, the Chair will be responsible for agreeing the draft meeting notes within 5 working days of all meetings.

Conduct of Members

All Members are expected to follow "The 7 principles of public life" (The Nolan Principles) and will be required to sign up to a code of conduct based on these principles.

Quorum

No decision may be made by a meeting of the Committee unless a quorum is present at the time the decision is purported to be made. "Present" includes being present by suitable electronic means agreed by the directors in which a participant or participants may communicate with all other participants.

The quorum necessary for the transaction of business shall be eight committee members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. A meeting shall be deemed not to be inquorate if it is otherwise inquorate only because the number of additional directors that would be required to form a quorum are not entitled to vote.

Decisions and Voting

The role of the Committee is advisory. If a vote is required to determine the formal advice of the committee, decisions shall be made on the basis of a majority of those Members attending and voting at a quorate meeting. Each member shall have one vote and decisions are made on a majority basis. In the event of an equality of votes being cast, the Chair of the meeting will have the casting vote.

Declaration and Management of Interests

The overriding principle adhered to by the Committee is that every member should be, and be seen to be, impartial at the time of participation in any discussion or decision relating to a matter considered by the Committee.

The Solent Freeport Consortium Limited will take a proactive approach to the management of all interests. This includes both direct interests in matters to be considered, which would realistically be affected by its outcome, as well as presumed, unconscious or apparent bias arising from an involvement (found where a fair-minded and informed observer, having considered the facts, would conclude that there was a real possibility that the member could have been biased).

A director must declare the nature and extent of any interest, direct or indirect, which she/he has in a proposed transaction or arrangement with the company or in any transaction or arrangement entered into by the company which has not previously been declared and absent himself or herself from any discussions of the directors in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the company and any personal interest (including but not limited to any personal financial interest).

If a conflict of interests arises for a director because of a duty of loyalty owed to another and the conflict is not authorised by virtue of any other provision in the articles, the unconflicted directors may authorise such a conflict of interests where the following conditions apply:

- the conflicted director is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other person;
- the conflicted director does not vote on any such matter and is not to be counted when considering whether a quorum of directors is present at the meeting; and
- the unconflicted directors consider it is in the interests of the company to authorise the conflict of interest in the circumstances applying.

The notes of meetings of the committee will record any declarations of interest made, and whether the director withdrew from the meeting for that item.

All Directors will complete a Register of Interest form which will be published.

Gifts and Hospitality

The company will also maintain a register of events attended and gifts or hospitality received or given by all persons in their capacity as representatives of The Solent Freeport Consortium Limited or whilst carrying out Solent Freeport Consortium Limited duties. Gifts and hospitality of a significant value arising received by committee members or their spouse/partner in their capacity of representatives of The Solent Freeport Consortium Limited should not be accepted. The giving of gifts or hospitality of significant value should also be avoided by committee members.