

# HUMBER LEADERSHIP BOARD

**DATE:** 8<sup>th</sup> December 2022

**REPORT OF:** Sharon Wroot – Executive Director  
(Environment, Economy and Resources)  
North East Lincolnshire Council

**SUBJECT:** Humber Freeport

All Humber local authorities remain committed to the realisation of a Humber Freeport. Whereas the full business case was submitted to DLUHC earlier on this year and subject to critical queries, an addendum has now been formulated and submitted so as to result in a “Freeport Lite”.

This has been received positively by DLUHC and is subject to review with a position expected in the new year. This has been driven by the IZ regime and a will by Government to formalise arrangements for the Humber at the earliest opportunity.

The Freeport Lite will have the Hull East tax site as its focus and will enable the full mobilisation of the Freeport Company. Whilst the Freeport Lite will have materially less income than a full case project, the proposal would move the Freeport into operational phase with a stable funding platform, which would allow us to progress the work necessary to unlock the remainder. We have been offered support by DLUHC to help us develop an appropriate implementation plan and I will be working with them closely to develop a deliverable plan. Funding of the bid remains contentious with us fast approaching the cap agreed across the Humber of £1.9M covering off global bid costs. Further work is in place from the position of the cap being stridently enforced. Currently further proposals are awaited from the Bid Lead.

In the meantime, DLUHC have circulated a revised MoU on a national basis, setting out its expectations in so far as governance and monitoring and evaluation is concerned. This has been subject to analysis and is currently the subject of direct dialogue by the Accountable Body with the Bid Lead to ensure that measures and processes are in place to enable compliance and fulfilment of DLUHC’s expectations. This will include consideration of internal company matters, composition of articles of association and also membership of various fora in terms of the company/public funds committee etc.

The Accountable Body has recently considered the inclusion of Leaders on the board of directors of the Freeport Company and the emerging recommendation is that their involvement should be limited to stewardship and control of public funds rather than the day to day operational aspects of the company. This is primarily due to the conflict of interests between the statutory and fiduciary duty to always act in the best interests of the company being at odds with the democratic expectation of community and place leadership.

At recent SteerCo meeting, 11<sup>th</sup> November 2022, there was agreement to move forward with the process for appointment of a new Chair and CEO for the Freeport Company, subject to appropriate governance. SteerCo representatives have further been requested to submit their views on membership for the board of directors, taking into consideration the advice provided on conflict of interests from the Accountable Body.

Further updates will follow as and when substantive progress is made. In the meantime, Humber LA MO’s and 151’s remain regularly engaged.