



Minutes of the Board of Directors Meeting – 3rd October 2024

Plymouth and South Devon Freeport Limited (the “Company”) - Company Number: 14109106

Directors Present

Jan Ward	JW	Chair
Peter Sadler	PS	Sherford Consortium
Harry Wass	HW	LEPL (alternate)
Cllr Tudor Evans	TE	PCC
Cllr John Birch	JB	SHDC
Cllr Rufus Gilbert	RG	DCC (alternative)

Director Apologies

Adrian Bratt	AB	Princess Yachts (Jan Ward in proxy)
Cllr Tom Briars-Delve	TBD	PCC (alternative)
Steve Pickup	SP	LEPL
Cllr John Hart	JH	DCC

Observers Present

David Draffan	DD	PCC
Chris Brook	CB	SHDC
Mel Sealey	MS	DCC
Julia Blaschke	JBL	PCC Accountable Body
Cath Parnell	CP	PCC Accountable Body
Ian Cooper	IC	PASDF
Eifion Jones	EJ	PASDF
Richard May	RM	PASDF
Rebekah Southern	RS	PASDF
Nicola Dowrick	ND	MHCLG

Preliminary Matters

Jan Ward was appointed chair of the meeting (the “Chair”). Proper notice of the meeting had been given in accordance with the Company’s Articles of Association (the “Articles”) and a quorum was present. Accordingly, the Chair declared the meeting open.

Business of the Meeting

The Chair reported that the business of the meeting was as detailed in the agenda previously circulated.

Agenda Item 1: Welcome and Declarations of Interest

No conflicts of interest declared.

RG asked for reference to the LEP to be removed in member declarations.

Decision: Minutes of Board meeting on 6th June 2024 approved.

It was confirmed that all actions from the previous meeting are either complete or in the case of the work with DBT, on-going.

JW requested that a paper be prepared for the next board meeting outlining all actions from previous meetings and how each has been dealt with.

Agenda Item 2: Updates (pre-read documents)

a. Verbal Updates from Highlights Report and Questions

Staffing

RM informed that Board that the Freeport's Project Coordinator has moved to Maritime UK SW where Launchpad funding will enable them to continue working on cluster formation which will benefit the Freeport. The PASDF staffing structure has been rescoped to include a Strategic Partnerships Director on a 0.6 FTE fixed term contract within the same funding envelope. Recruitment is underway.

APR

The Annual Performance Review (APR) was favourable. Actions included progressing the innovation service, ensuring further engagement with the S151 Officer and strengthening the retained rates policy. These actions are being progressed.

Both RG and ND congratulated the Freeport on the above and ND noted that fewer actions were received by PASDF than many other Freeports.

JB highlighted that some points were made in the report as areas for improvement but were not reflected in the recommendations and felt that they should nevertheless be addressed.

RM confirmed that further detail on these matters were provided during the APR conversation.

DD recommended that a table of the key points and how each have been actioned is created.

M&E

RM explained that the Freeport's M&E requirements have changed and will be simplified.

Progress on Site Delivery

RM noted that there has been good progress on South Yard.

TE was invited to give an update on defence.

JW asked what the Freeport can do to help, given that South Yard is a Freeport Tax Site.

TE recognised that all partners will need to be involved and there will be more information to share in due course.

DD outlined how Freeport efforts will need to align with the skills and innovation needs of this opportunity which should have a transformational impact for the area. The Freeport will be a critical delivery mechanism in this regard and it will also impact on Cornwall and the South Hams given proximity, requiring a view to be taken on the functional economic area.

RM confirmed that the Freeport can provide a good conduit for those conversations.

ND indicated that she has been invited to attend departmental meetings around defence on the basis of her involvement with the Freeport and she will continue to support this.

DD asked for a standing item to be included on this development at future meetings.

RM confirmed that the Freeport will support with this and other potential regional opportunities such as those presented by the Celtic Sea. PASDF's role is to explore such opportunities and will bring them through this Board with proper governance.

It was agreed that partners will walk through this carefully together with alignment between PASDF and PCC and a proper governance process put in place to manage it.

RM also highlighted a regional piece of work that MS is leading on to ensure that the wider regional perspectives are understood and opportunities around this.

JB questioned whether the skills challenges outlined are holding back opportunities at Langage.

DD highlighted that the Freeport funding unlocks that opportunity. It's not a skills issue.

IC explained that additional funding through the seed capital programme has gone into LEPL and that planning has been submitted for Plot 2 so LEPL will be looking at whether they can build some of the site speculatively.

HW confirmed that LEPL is proceeding with getting quotes and progressing procurement for the seed capital project that will deliver the electricity connection for Plots 2 and 3.

Other

RM made the Board aware of the Freeport's upcoming Symposium of Advisory Boards to be held on 9th December.

PS expressed thanks to the Freeport for the Consortium's grant which was signed-off last week. He also mentioned the importance of skills and is keen to keep the Sherford Skills Academy going as part of the Vistry strategy. Request for the Freeport to consider how they can support this.

b. Programme Risk Register

IC provided an update on key risks

- Power – solutions are being progressed and PASDF has been asked to provide a plan for phasing requirements at Langage. There will be another meeting by the end of the month to reprofile this risk.
- Ley Farm – has attracted interest but development will not happen quickly.
- Hydrogen demand – is now better understood. An assessment has been commissioned by the Freeport Hub to provide a roadmap of potential off takers in the region and potential timeline. This will also provide the basis for a lobby piece.

IC identified a need to add a risk on skills following this meeting.

JB asked about customs as a risk.

IC confirmed that a local manufacturer has just submitted an application to HMRC. Once completed that will provide a useable example for others.

DD congratulated the South Hams team on the work they have done to move the Sherford site forward and this was echoed by PS.

c. HMG Annual Performance Review

Covered above.

d. Accountable Body Update

JBL confirmed that there are nine full funding agreements in place and five in preparation. They will all have conditional offer letters. That will mean that the whole programme has been committed and the emphasis will then shift on moving to unconditional offer letters.

A letter has been written to Government asking for the next draw down of funding.

ND confirmed that it will be released in 11 days.

RM congratulated all concerned and commended both the Accountable Body and Freeport teams for getting the business cases prepared, appraised and through to offer letter in such a short space of time, recognising the efforts of all team members. He also commented on how well the seed capital has been optimised through the Change Request Process.

ND confirmed that most other Freeports are not in our position.

JW asked if we can quantify the return on this seed capital investment for the next Board.

JBl confirmed that the AB will be looking at recommendations from the APR and will bring a paper to the next Board.

e. HMG Assurance Report

Covered above.

f. Financials

Budget as expected. See later item on Financial Resilience Working Group.

g. Investor Demand

EJ explained that there is a consistent amount of inquires coming through. Highlights include a company interested in the docks at South Yard and another business already operating in the dockyard who is looking for more space. On Langage one of the interested companies has encountered some difficulties with permits on one of their non-Freeport sites so have paused their inquiry until that matter has been resolved.

Work is continuing with DBT's Knowledge Lab exploring opportunities including AUKUS.

h. Marketing and Communications

There will be an Unlocking Growth event in South Hams on 20th November.

The website refresh will be complete by end of the year.

i. Innovation Update

Kevin Forshaw has stood down as Chair and Richard Watson from Sulmara has taken over. The next Innovation Advisory Board will be held next week and will be supported by the Connected Places Catapult team who will facilitate a discussion on a potential investment fund.

Agenda Item 3: Main Topics

a. Financial resilience Working Group

IC outlined the purpose of the new Financial Resilience Working Group, to refresh and extend the Freeport's financial model is being undertaken to prepare for the future and the model is being simplified so that it can be used as a tool to understand funding options post 2026/7, in light of the extension of tax incentives to September 2031.

CB confirmed that this piece of work is very welcome.

JW congratulated the PCC Finance Lead for all their work on this.

ND confirmed that there are other Freeports in a similar position who are currently looking at their funding options. One has overcome the challenge by using interest generated from seed capital.

b. Annual Report and KPI Proposal Paper

RM distributed copies of the Annual Report which was welcomed.

RS outlined the work that had been undertaken on KPIs which amalgamates indicators from the FBC with the national reporting requirements set out by Arup to provide a way to monitor the Freeport's progress on an annual basis.

Decisions

1. Support the establishment of Financial Resilience Working Group - approved – and will continue to be brought to the Board.
2. Approve the PASDF KPI and performance reporting proposal – approved.

Agenda Item 4: AOB

ND – emphasised that PASDF is one of the most transparent Freeports and is seen as an area of good practice. She also confirmed that our relationship with Government is excellent and commended the Freeport in being so open and collaborative.

An additional AOB item was provided after the meeting from DD to commend the Accountable Body for the work that they have done in enabling PASDF to contract the £25m of seed capital funding.

Summary of Actions

Action	Responsibility
<ul style="list-style-type: none">• Create a table of points from the APR and show how each have been actioned	PASD Freeport team
<ul style="list-style-type: none">• Include a standing agenda item for future meetings on Defence	Chair
<ul style="list-style-type: none">• Reflect skills risks within the Freeport's risk register	PASD Freeport team
<ul style="list-style-type: none">• Consider how the Freeport can support work with Vistry on skills.	PASD Freeport team
<ul style="list-style-type: none">• Quantify the ROI of seed capital for next Board	PASD Freeport team

Date of Next Meeting

5th December 2024.



Chair.....