

FOR DISCUSSION

Appendix C – Draft Freeport East Governance Structure

Proposal for the Freeport East Governance Body

Freeport East will have a two-tier governance arrangement, comprising a Supervisory Board and a Management Board.

The **Supervisory Board** will be responsible for the strategic direction of Freeport East development and for monitoring and holding to account the Management Board for the effective delivery of the interventions and strategy and for receiving assurance about the effective management of the physical and fiscal security aspects of Freeport East. It will ensure that appropriate mechanisms are in place for the application and management of public funding through an accountable body, such as a County Council, which will hold all public money.

The **Management Board** will be responsible for the day to day operation of Freeport East and the discharge of its obligations regarding security, crime prevention and for executing the strategy agreed by the Supervisory Board under delegated powers. It will be responsible for submitting regular reports to Government.

The **Supervisory Board** would be composed of a Chair, recruited through an open and transparent process and subject to the Nolan Principles of Public Life, the Chief Executive of Freeport East and seven non-executive directors. The non-executive members of Supervisory Board are nominated by the stakeholders on the basis of their knowledge and experience and in the case of local authorities to provide democratic accountability:

- Chair – an independent appointment as an ambassador for Freeport East with particular emphasis on attracting inward investment
- Chief Executive Officer
- 2 non-executive directors appointed by Hutchison Ports UK Ltd representing the Port of Felixstowe and Harwich International Port
- 1 County Council elected member (Essex or Suffolk County Councils), with the other County Council member as an alternate board member and switching bi-annually
- 1 District Council elected member (East Suffolk or Tendring District Council) with the other member as an alternate board member and switching bi-annually
- 1 representative of commercial organisations operating within the Freeport
- 1 HE representative with responsibility for the Board's Innovation Strategy (Cambridge University/University of Essex)
- 1 representative of the LEPs (New Anglia or South East LEP) with the other LEP as an alternate board member

The Supervisory Board will have the power to constitute committees and task and finish groups under the chairmanship of one of its members to cover specific areas (inward investment, innovation, skills, etc)

All Supervisory Board members will be actively engaged in attracting investment and ensuring that the strategy for doing so is linked into the work of their own organisations.

Decisions of the Supervisory Board shall be by consensus and unanimity and a scheme of delegation shall be devised for the Chair and Chief Executive and approved by the accountable body.

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Local Members of Parliament (for Suffolk Coastal and Harwich & North Essex) shall have the right to attend meetings of the Supervisory Board and shall be bound by rules covering commercial confidentiality. Departmental representatives (HMT, MHCLH, DIT) shall have similar rights.

The **Management Board** will be made up of a small team of executives reporting to the Chief Executive Officer responsible for the operation of the Freeport but also to support some of the functions of the Supervisory Board, and will include the following executive functions:

- An executive responsible for tax oversight and liaison with HMRC, customs issues and security and reporting to the accountable body in respect of any public funding received
- An executive responsible for land use planning in close liaison with the land owners, including HPUK, liaison with Highways England, local Highways Authorities and Network Rail
- An executive responsible for inward international investment and economic development

The members of the Management Board may not be sole function executives but may be senior managers whose day-to-day activities already cover some of the responsibilities outlined above.

Corporate structure

It is proposed that Freeport East adopt a formal corporate structure as a company limited by guarantee (FPE) with a membership of businesses, institutions and organisations with a demonstrable and evidenced interest in the activities of Freeport East. This will widen both the reach of Freeport East into local business communities and will ensure that the project receives the widest support for its success. Membership of FPE will also extend to local authorities which may have an interest in the success of Freeport East on behalf of their working residents or local businesses, but may be outside the immediate curtilage of Freeport East.

The members of FPE will be responsible for the appointment or renewal of Board Membership of the Chair and of the Chief Executive, It will meet at least once annually to receive the performance report of the delivery of the Freeport East strategy at an Annual General Meeting which shall be open to the public.

(759 words)