

NORTH LINCOLNSHIRE COUNCIL

CABINET

HUMBER FREEPORT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To recommend that the Deputy Chief Executive, on behalf of North Lincolnshire Council, is nominated as a Director for the Humber Freeport Company Limited, and that the Leader of the Council be appointed as a member of Public Funds Committee.
- 1.2 These recommendations are in accordance with the recommendations of the Humber Leadership Board.

2. BACKGROUND INFORMATION

- 2.1 The Humber Freeport was announced as successful (subject to business case) in March 2021 Budget. Since this time work has progressed on the business case and plans for the formal establishment of the Freeport.
- 2.2 A Cabinet report was taken in July 2021 providing an update on progress with the Humber Freeport and to seek the necessary approvals and delegations to enable North Lincolnshire Council to support the submission to Government of the Outline Business Case for the Humber Freeport.

The following was resolved at the Cabinet meeting

Resolved – (a) That the development of the Humber Freeport be supported and approved; (b) that Cabinet commits to the Freeport Memorandum of Understanding; (c) that the Deputy Chief Executive in consultation with the appropriate Cabinet Member, be authorised to develop and agree detailed documentation to enable the next stage of the Freeport to take place, and (d) that the recommendation of the Humber Leadership Board that North East Lincolnshire Council be appointed as the Accountable Body for the Humber Freeport be approved.

- 2.2. The Humber Freeport Company Limited (HFCL) will be the governing body of the Humber Freeport. A representative from North Lincolnshire Council will sit on the Board as a director of the Company.
- 2.3 In addition to the Board, a Public Funds Committee will be established sitting under the Humber Leadership Board. The Terms of Reference for the Public Funds Committee has yet to be finalised, however, the focus of the Committee is likely to be centred around the review of pipeline projects and initiatives utilising public funds generated because of the Freeport initiative.
- 2.4 At its meeting on 8 December 2022, the Humber Leadership Board considered a recommendation that the Leaders of the Local Authorities should limit their involvement to stewardship and control of public funds rather than the day-to-day operational aspects of the company. As such, the Leaders would sit on the Public Funds Committee and each local authority would nominate an appropriate officer to sit on the board of the HFCL. For North Lincolnshire Council, it is recommended that the Deputy Chief Executive is nominated to become a director of the HFCL.

3. OPTIONS FOR CONSIDERATION

- 3.1 Option 1 – Follow the recommendation of the Humber Leadership Board and the Leader of the Council participates on the Public Funds Committee and the Deputy Chief Executive sits on the board of HFCL.
- 3.2 Option 2 – Do not follow the recommendations of the Humber Leadership Board and recommend an alternative.

4. ANALYSIS OF OPTIONS

- 4.1 Option 1 – North East Lincolnshire Council in their role as Accountable Body for the Humber Freeport has considered the merits of local authority Leaders sitting on the board of the HFCL and this has also been discussed with legal officers from the four Humber authorities. They concluded it is more appropriate for democratically elected members (Leaders) to be part of the Public Funds Committee related 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.

As an executive level is required to sit on the Board of the HFCL, it is recommended that this position is filled by the Deputy Chief Executive.

4.2 Option 2 – The options for representation on both the HFCL Board and the Public Funds Committee have been appropriately reviewed and considered factoring in the functions of the democratically elected members. It is therefore recommended that these considerations be taken into account in selecting the best representation for North Lincolnshire on the Freeport governance structures.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

5.1 The Humber Leadership Board established as an Executive board of member councils requires its recommendation to be approved by the Executives of its member councils.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

6.1 The Humber Freeport assists the council in achieving the ambitions set out in the North Lincolnshire Council plan: Priority 3 – Enabling economic growth and renewal and Idea 1 in the North Lincolnshire Economic Growth Plan - Free Trade Zone and Port Development.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

7.1 N/A

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

8.1 Engagement and consultation has taken place between the four Humber authorities.

9. RECOMMENDATIONS

9.1 Option 1 is approved - Follow the recommendation of the Humber Leadership Board that the Leader of the Council is appointed to the Public Funds Committee and the Deputy Chief Executive is appointed the board of HFCL.

DIRECTOR OF ECONOMY AND ENVIORNMENT

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Background Papers used in the preparation of this report

- Humber Freeport paper, Humber Leadership Board, 8th December 2022