

Agenda item 4

Confidential

South Tees Development Corporation

5th Meeting

21st March 2018

Conference Theatre, Teesside Management Offices, Redcar, TS10 5QW

Minutes

Board members

Sue Jeffrey	Vice Chair, Redcar & Cleveland Council, TVCA
John Baker	Chair of Teesside Learning Trust
Paul Booth	Chair of Tees Valley LEP
Bob Cuffe	Gazette Media
Graham Robb	Recognition PR
David Smith	Energy Networks Association
Anand Srinivasan	Delphinus Advisory Ltd (Dialled in)

Associate Members

Andrew Lewis	TVCA
Amanda Skelton	Redcar & Cleveland Council/Chair SSI Task Force
Tom Smyth	BEIS, Interim government representative

Statutory Officers

Jonathan Bretherton	STSC Ltd/STDC
Julie Gilhespie	STDC

Officials

John McNicholas	STDC
Andrew Nixon	Monitoring Officer/RCBC

Apologies: Ben Houchen, Dave Budd, Steve Gibson, Philip Leech, Sir Alan Cockshaw, Jane Turner and Sue Houston (secretariat).

Item 1 – Welcome and introductions - Chair

1.1 The Chair welcomed everyone to the meeting.

Item 2 – Quorum

2.1 The meeting was quorate.

Item 3 – Declarations of conflicts of interest - Chair

3.1 None declared.

Item 4 – Papers 5.1 & 5.2 - Minutes and actions from meeting 4 on 24 January - Chair

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Paper 6.1

4.1 The minutes of the previous meeting were agreed. The Chair went through the following actions from the meeting 4 on 24th January:

Action 2

A 3-way meeting with [REDACTED] BEIS and STDC to be pursued - It was noted that BEIS had spoken to JSW a number of times as had the CEO. This action would be closed as a joint meeting was felt to be unnecessary.

Action 3

An introduction to the CEO of Northern Power Grid to be facilitated to influence bidders into the process for private wires - It was agreed that Jonathan Bretherton would pick this up with David Smith.

Action 4

STDC to make the case for the net sum gain to HMT of extending capacity on private wire networks through an increase in potential investors in the STDC area - Tom Smyth requested that TVCA and STDC provide information to BEIS on the new inward investment it could promote and support to assist with the value for money business case. It was agreed that Jonathan Bretherton would write to BEIS.

Action 6 – A written resolution on CPO will be circulated to Board members in early February. This action was achieved on 12 February with a quorum of 9 Board members subsequently responding positively to the resolution.

Item 5 – Chairs Update – Chair

5.1 The Chair had no specific items to update.

Item 6 – CEO update – Paper 5.3 – Confidential - Jonathan Bretherton

6.1 Jonathan Bretherton updated on the position with the Thai Banks:

- Hybrid deal was not on the table, the banks wanted a cash offer. Sir Alan Cockshaw will explore this and report back;
- The intention is for a group to visit Thailand in April to undertake negotiations;
- [REDACTED]
- Jonathan Bretherton and Julie Gilhespie attended TVCA Informal Cabinet meeting to provide an update and support was given in principle. The Informal Cabinet had agreed in principle for TVCA to collectively borrow to buy SSI land and assets. This will need to be ratified by TVCA Cabinet as a referral decision once the Corporation Board has formally approved the deal.
- It was noted that there was currently no precise number for OR costs. The proposal to HM Treasury is that if the deal goes through that the OR and sunk costs are written off. If the deal was not taken, then there would be no netting off. This did not apply to the RBT shares.
- The alternative to this is CPO, which was expected to be ready in July.

Tom Smyth noted that government had not got to a decision on the proposal to write off OR costs as yet and needed more figures and data. Julie Gilhespie would speak to Tom Smyth outside of the meeting on this.

The Chair reiterated the importance of ensuring that decisions were being taken as quickly as possible.

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6.2 There was the possibility of buying surplus land on the British Steel site and an external valuation would be undertaken. It was anticipated that a recommendation would be brought to the Board meeting in May on a potential purchase of land.

Action 1: The recommendation on potential purchase of British Steel land to be brought to the May Board. **Jonathan**

6.3 The Board discussed the latest position with the CPO. The risk of not getting the funding approved until the autumn budget was highlighted however it was considered that the best approach was to continue rather than wait and risk further delays. It was noted that having the Transition Plan in place and agreed by all parties was important. The Chair noted her thanks to all colleagues on the work undertaken to date.

6.4 It was noted that progress was being made on Tata land acquisition with further information on this expected to come to the Board around August.

6.5 The following updates were given on investor interest and potential disposals:

- Tom Smyth noted that the [REDACTED] ask was not state aid compliant;
- The Clean Gas planning application would be published on the national website and Jonathan Bretherton would circulate the link to this;
- A meeting between [REDACTED] and BEIS was expected to take place on 10th April and The Board stressed the importance of ensuring an invitation to this was extended to a Tees Valley representative. Tom Smyth would look in to this;
- [REDACTED]

The Board were given a presentation on the keep safe of the site. The Board noted that they were shocked by what they had seen in the presentation but were assured by the response from the Site Company.

Action 2: A link to the CI planning application to be circulated. **Jonathan**

Action 3: A Tees Valley representative would be invited to the [REDACTED] BEIS meeting on 10 April. **Tom**

Item 7 – Programme Delivery Report – Paper 5.4 – John McNicholas

7.1 It was noted that most ground investigations would be complete by the end of August. The Board requested that the key milestones from the Master Programme be circulated.

Action 4: The key milestones of the Master Programme would be circulated. **John M**

Item 8 – Finance Report – Paper 5.5 – Julie Gilhespie

8.1 [REDACTED]

8.2 The Board approved the Medium Term Financial Plan.

Item 9 – Governance Approvals

Appendix VI Procurement Policy – Paper 5.6 – John McNicholas

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Paper 6.1

9.1 The updated procurement policy was presented. The policy had been developed using the current Site Company policy and the current TVCA policy. The following was discussed:

- A member of the Board should also sign off any direct award under the proposed Professional Services threshold of £25k - £75k;
- Some overall guiding principles need to be developed for the approach to procurement to underpin the policy, particularly around ensuring the involvement of local companies. It was requested that the draft final document be brought to the next meeting.

Action 5: The draft final Procurement Policy to be brought to the May meeting. **John M**

Item 10 - Committee and Group Reports

The Board noted the Committees and Groups reports. In particular, the following was discussed:

10a – Audit & Risk – John Baker

10.1 The Board noted that it was not comfortable with a procurement that excluded any local supplier; both on value for money grounds and our stated principle of encouraging local procurement wherever possible and asked A&RC to look again at procurement of Internal Audit services before confirming an appointment.

Action 6: The Board requested that the A&RC take another look at the procurement of Internal Auditors before confirming an appointment. **A&RC**

10b – Business & Innovation Committee – Paul Booth

10.2 Paul presented Paper 5.8. It was noted that a marketing strategy needed to be considered.

10c – Masterplanning & Infrastructure Group – Philip Leech

10.3 The Group was to be renamed the Planning and Infrastructure Committee noting that major planning applications will be coming through this forum hence the need for it to become a Committee. This revision was endorsed by the Board.

10d – Search & Remuneration Committee – John Baker

10.4 John Baker presented Paper 5.7. Progress was noted.

10e – Communications Committee – Graham Robb

10.5 Graham presented Paper 5.9 and acknowledged the work being done by Neal Smith and his team.


Item 11 – AOB

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11.1 There was no other business.

The meeting closed at 16.00



Chairperson

