

South Tees Development Corporation
2nd Meeting
29th September 2017
Conference Theatre, Teesside Management Offices, Redcar, TS10 5QW

Minutes

Board members

Ben Houchen	Chair/Tees Valley Mayor
Sue Jeffrey	Chair/Redcar & Cleveland Council, TVCA
John Baker	Chair of Teesside Learning Trust
Graham Robb	Recognition PR
Anand Srinivasan	Delphinus Advisory

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: Paul Booth, Dave Budd, Sir Alan Cockshaw, Bob Cuffe, Steve Gibson, Philip Leech, David Smith and Professor Jane Turner.

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 Graham Robb declared his work with TVCA.

Item 4 – Papers 2.1 & 2.2 - Minutes and actions from the inaugural Board meeting 1 on 24 August - Chair



4.1 The minutes of the previous meeting were agreed without amendment and all actions were complete or on the agenda.

Item 5 – Chairs Update – Chair

5.1 The Chair extended the best wishes from the Board to colleagues Jane Turner and Paul Booth who were unable to attend the meeting. He then updated the Board on recent engagement with Liberty to whom he had sent a letter. It was noted that further engagement with [REDACTED] is in hand with reference to a potential car manufacturing plant. The outcomes of such engagements will be shared with the Board in the usual way.

5.2 Discussions continue on opportunities for joint appointments between TVCA and STDC, more alignment of teams working together within the TVCA offices and closer working with the TVCA Investment Team. Details will be brought to the Board in due course.

Action 1: Information on joint appointments and closer working of TVCA and STDC will be brought to the Board in due course. **Ben**

Item 6 – CEO update – Paper 2.3 – Confidential - Jonathan Bretherton

[REDACTED]

Action 2: Recommendations on the proposed agreement with [REDACTED]

6.2 The draft MOU with Sembcorp is close to completion. Jonathan highlighted additional proposals to improve access from Wilton to the port and potentially bringing the key access to Sembcorp to the roundabout on the A1085. There was also some discussion on a proposal to launch this agreement when the Master Plan is launched. It was agreed that this was not appropriate and that the Master Plan launch needed to be a single, focused event. The ramifications of this agreement on the [REDACTED] discussions were considered and it was noted that Sembcorp are relaxed about this as they can sell power to [REDACTED] regardless of whether they are located at Wilton or SSI. It was agreed that the wording in paragraph 1.1 should be amended to protect the STDC brand, determined with the Communications Committee. Jonathan advised that he had consulted legal advisers regarding vires, competition law and the wording in general and that he would amend the draft to reflect this. Due diligence would also be undertaken on Sembcorp and the revised MOU would be brought back to the Board.

Action 3: The MOU with Sembcorp would be revised in discussion with the Communications Committee and lawyers before being brought back to the Board. **Jonathan**

Action 4: Due diligence would be completed on Sembcorp. **Julie**

6.3 Jonathan updated colleagues on investors, including [REDACTED]

[REDACTED]



8.2 During discussion the Board noted that the figure of £20m for the OR costs needs to be confirmed and that discussion on the flow of future funding will continue through the new Transition Group. The ask of central government is currently £150m including Keep Safe and Spend to Save costs (KS and S to S already having been applied for by STSC). The Board agreed to the release of the Financial Model once approved by Anand Srinivasan, subject to figures being firmed up following GVA advice and input from Deloitte and also approved the approach for obtaining Government funding. Philip Leech and Jane Turner had emailed their endorsement of these decisions.

Action 6: Confirmation to be sought on the OR costs of £20m within the Financial Model. **Julie**

Action 7: Completion of Financial Model to release to the Thai Banks and Government following sign-off by Anand Srinivasan. **Julie**

Item 9 – Specific Business

9a - CPO presentation & Paper 2.6 – Toni Weston, Gowlings

9.1 Toni Weston of Gowling WLG solicitors presented her paper and slides highlighting that approval was sought to enable the CEO to commence preparations for making a CPO and that further authority be sought before any CPO was made. It was noted that the making of any CPO is subject to TVCA consent and that any CPO requires subsequent confirmation from the Secretary of State. A significant amount of work is required to prepare the case for the CPO, based on robust proposals for and delivery of regeneration of the site. The proposed masterplan strategy, which is intended to be adopted as supplementary planning policy, would provide further clarity on STDC's proposals for the site. STDC would further need to demonstrate that it has the resources to fund the CPO and that there is a reasonable prospect of the proposed regeneration coming forward within a reasonable timescale. It was noted that a CPO is a measure of last resort and that the CPO process can take 12-24 months. Points raised during discussion included the merits of making one CPO to acquire the whole of the site or making several CPOs to acquire the site in phases (it being noted that, once confirmed, a CPO may potentially be used to acquire land gradually over a six year period), at what point the proposed making of any CPO would become public (November on the current programme) and the need to do as much technical preparation as possible in advance of making any CPO. The preparatory work would inform the Board's subsequent decision as to which route to take. The Board resolved that it was essential for STDC to start the process of preparatory work, with a budget of [REDACTED] and endorsed the recommendations made.

Action 8: CEO to commence preparations for making one or more CPOs and further authority sought before any CPO is made. **Jonathan**

9b – Summary Master Plan – Paper 2.7 - John McNicholas

9.2 John highlighted details of the consultation on the Master Plan. He noted that there will be 3 documents as part of this exercise – the Executive Summary Master Plan (hard copies to be available at events), the Master Plan itself (to be available for viewing at the events and on the website) and the Supplementary Planning Document accompanying the Master Plan – (required for statutory purposes and available on the website). Once the consultation is complete the Master Plan will be amended for publication and formally adopted by RCBC, in February 2018, as a Supplementary Planning Document. This

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will then form the basis for planning and any CPO required for the site. Jane Turner had emailed on the consultation questions noting that this is an opportunity to build STDC's reputation. Board members agreed with her view and asked for a list of attendees for the launch event to be shared. Board members were asked to endorse the recommendation that approval of the final version of the consultation document be delegated to Philip Leech and Jonathan Bretherton. This was agreed by the Board and also endorsed by email by Philip Leech and Jane Turner.

Action 9: List of attendees for launch event to be shared with the Board. [REDACTED]

Action 10: The final version of the draft consultation document to be signed off by Philip Leech and Jonathan Bretherton. **John M**

Item 10 – Committee and Group Reports

10a – Business & Innovation – Paper 2.8 – John McNicholas

10.1 John presented this paper on behalf of Paul Booth, highlighting the work underway to determine a scoring matrix to evaluate proposed investments. The recommendations on the projects highlighted in the table at Appendix A were all endorsed by the Board including Jane Turner and Philip Leech who had emailed their support.

10b – Negotiating Advisory Committee – Paper 2.9 – Sue Jeffrey

10.2 Sue Jeffrey reported that this Committee had considered the draft terms of reference and recommended that it should be a Group. The Board agreed and noted that the Terms of Reference would be adjusted accordingly. This was endorsed by Philip Leech and Jane Turner who had emailed their support.

Action 11: Negotiating Advisory Group to receive amended Terms of Reference to reflect the fact they are now a Group rather than a Committee. [REDACTED]

10c – Masterplanning & Infrastructure Committee – Philip Leech

10.3 Philip was unable to attend the meeting but provided a statement to be shared with the Board – “Jonathan, John McNicholas and the rest of the Executive team have worked incredibly hard to pull together this comprehensive and impressive draft Masterplan document. It has evolved over many iterations and is now in a form which I believe will provide robust guidance for the future development of the site as well as forming the basis for Planning and the underlying case for the use of CPO powers. I commend it to the Board and would like to thank all those who have been involved in assembling the document.” The Board noted Philip's comments and thanked him for his leadership of the Committee through this phase of work.

10d – Communications – Paper 2.10 – Graham Robb

10.4 The purpose of this paper was to seek endorsement of the Communications Strategy developed for the Board. Two points had been raised by Jane Turner regarding this Strategy. The first related to a question about whether the public consultation ought to be covered. It was agreed that, as that was Master Plan specific, it was not appropriate to include it. The second was around measuring the outcomes identified at the end of the paper. It was agreed that the Communications Committee would address that point and provide details to the Board. The Strategy was then endorsed by the Board. Jane Turner and Philip Leech had emailed their endorsement.

Action 12: Communications Committee to identify how the outcomes in the Communications Strategy would be measured and advise the Board. **Comms Committee.**

11 – Governance Reports and approvals

11a – Financial Delegations – Paper 2.11 – Julie Gilhespie

11.1 Julie presented this paper which was seeking endorsement of two further appendices to the Constitution i.e. Appendix IV: Financial Regulations and Appendix V: Financial Delegations including the Scheme of Delegations. Both were endorsed by the Board as presented but with an amendment to Appendix V, Section A, GD1 – GD6 showing increased delegation limits (these had previously been circulated by email to Board members on 26 September). It was noted that Philip Leech and Jane Turner also endorsed this paper and the revised delegation limits in the email. One action was proposed by Jane Turner under paragraph 3.6 of Appendix IV. She asked that consideration be given to how any conflict which arose for the Finance Director, shared between TVCA and STDC might be resolved. The Board were also asked to agree that either the Director of Finance, Julie Gilhespie or [REDACTED] can apply for and sign the Bankline internet banking service on behalf of STDC.

Action 13: Consideration to be given to how any conflicts that arise for the Finance Director, as highlighted in paragraph 3.6 of the Financial Delegations Appendix IV, might be resolved. **Jonathan**

Action 14: Either the Director of Finance, Julie Gilhespie, or [REDACTED] can apply for and sign the Bankline internet banking service on behalf of STDC. **Julie**

11b - Committees and Groups – Paper 2.12 – [REDACTED]

11.2 [REDACTED] presented this paper which required Board members to endorse the updated list of Committee and Group members and the Terms of Reference for the Business & Innovation, Negotiating Advisory and Communications Committees. These were endorsed by the Board, subject to the change identified to the Negotiating Advisory Committee highlighted at paragraph 10.2 above, and by email by Philip Leech and Jane Turner.

11c – Teesside Pension Fund – Julie Gilhespie

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11.3 Julie noted that a Board resolution is required to enable the use of this fund by STDC. **A resolution was given by the Board.**

Jonathan Bretherton and John McNicholas left the meeting at this point.

11d – CEO Appointment – Paper 2.13 – Julie Gilhespie

11.4 The Chairperson invited Julie Gilhespie, Finance Director of STDC, to present her paper on the CEO appointment. Key points noted were that the CEO contract, currently with STSC Ltd, was subject to a salary review and that the CEO had recently been appointed by the STDC Board as its CEO. It was agreed that the Search and Remuneration Committee of STDC would lead on progressing this issue taking note of the following points:

- a) The CEO is currently the Accounting Officer for STSC Ltd.
- b) The current CEO contract allows for it to be transferred to STDC with STSC Ltd Board endorsement.
- c) A job specification needs to be developed for the STDC CEO role.
- d) The ongoing STSC Ltd performance review of the CEO needs to be complete to inform this process.
- e) STSC Ltd Board need to be fully engaged in this process and no decision can be taken without that engagement.
- f) BEIS will also need to be consulted on the potential outcome of this review.


It was **noted that** Jane Turner and Philip Leech have submitted their endorsement of this issue being passed to the Search and Remuneration Committee.

Action 15: Progression of the issues around the appointment of the CEO for STDC would be taken to the Search and Remuneration Committee. **Julie**

Action 16: A job specification for the STDC CEO role will be drafted. **Julie**

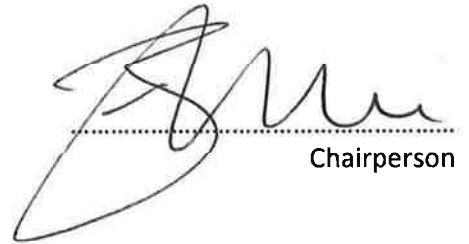
Item 12 – AOB

12.1 It was resolved that as there had been significant pressures on timings during the day, with both STSC Ltd and STDC Board meetings, that the STDC meeting dates would be reviewed.

Action 17: Future meeting dates to be reviewed with a view to ensuring they did not match those of the STSC Ltd Board. 

The meeting closed at 17.15pm

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Chairperson