

**South Tees Development Corporation
Board Meeting 14
25th September 2019, 2.00pm-4.30pm
Conference Room 1, Teesside Management Offices, Redcar, TS10 5QW**

Minutes

Board Members

Ben Houchen (BH)	Chair
John Baker (JB)	Chair of Teesside Learning Trust
Paul Booth (PB)	Chair, TV LEP
Sir Alan Cockshaw (SAC)	Shawbridge Management (by telephone)
Bob Cuffe (BC)	Non- Executive Director
Mary Lanigan (ML)	Leader, RCBC
Graham Robb (GR)	Recognition PR
David Smith (DS)	Energy Networks Association

Associate Members

Sarah Robson (SR)	RCBC
Tom Smyth (TS)	BEIS, Interim Government representative

Statutory Officers

David Allison (DA)	STDC, CEO
Gary Macdonald (GM)	Director of Finance & Resources, STDC/TVCA

In Attendance

John McNicholas (JM)	Engineering & Programme Director, STDC
Andrew Nixon (AN)	Monitoring Officer



Apologies: Steve Gibson (SG), Andy Preston (AP), Anand Srinivasan (AS), Jane Turner (JT) and Julie Gilhespie (JG).

Item 1 – Welcome and introductions - Chair

1.1 The Chair welcomed everyone to the meeting and noted apologies. He welcomed Gary Macdonald, the new Director of Finance & Resources for TVCA and STDC, to his first Board meeting.

Item 2 – Quorum

2.1 The meeting was quorate.

Item 3 – Declarations of conflicts of interest - Chair

3.1 GR registered that MPI (mentioned in Paper 14.5) are a client of his. There were no other declarations of interest.

Item 4 – Minutes & Actions from last meeting

4.1 The minutes of the Extraordinary meeting were endorsed as were the main July Board minutes, subject to one minor change that was requested to paragraph 6.1 of the latter, ie exclusion of the wording in brackets. All actions were complete or on the agenda today with the exception of:

Meeting 11

Action 8: Proposals for revised mechanism to manage investor engagement will be brought to the May Board – now on the Forward Programme for November.

Meeting 13

Action 1: STDC colleagues need to tie in with [REDACTED] at TVCA as this strategy around a potential Negative Carbon Cluster is being developed.

Action 3: Induction Pack to be developed for STDC Board and Committees/Groups – an operational issue to be closed on this list.

Action 7: [REDACTED]

Action 8: A plan showing the private wire network to be provided to inform the work of B&IC, P&IC and EUT&F - still outstanding.

Extraordinary meeting in July

Action 2: The deal [REDACTED] will not be finalised until confirmation is received that a) it is procurement compliant and b) full assurance of the funds required is provided – awaiting further information.

Action 4: [REDACTED]

Action 5: [REDACTED]

Item 5 – Chairs Update – Ben Houchen

5.1 [REDACTED]

[Redacted]

[Redacted]

[Redacted]

Item 6 – CEO Report – Paper 14.3 – David Allison

6.1 DA noted that the new method of presenting his report as proposed by the P,S&RC, aligned with Key Result Areas. On workforce he noted the need to build capacity but that the revised structure would be revisited on 30 Sept at the P,S&RC meeting following the incident last week. Discussions with existing STDC staff had been paused, along with the move to Cavendish House.

6.2 On CPO it was noted that a date of 14 November had been set by the Planning Inspectorate for commencement of the Inquiry. This creates additional challenges for STDC on 3 fronts:

[Redacted]

[Redacted]

Item 7 – [Redacted]

7.1 [Redacted]

7.2 [Redacted]

Action 1: [Redacted]

Action 2: [Redacted]

7.3 [Redacted] was discussed on Friday at a meeting with Denise McGuckin from Hartlepool (leading on this project for the 5 LAS). During discussion regarding what had previously been discussed regarding this project and its location at B&IC and the Board and the current position on Heads of Terms etc it was agreed that a workshop would be held, including B&IC and A&RC members, to consider next steps.

Action 3: Workshop to be held urgently, including B&IC and A&RC members, to consider the next steps for the location of the TVEfW project. DA

Item 8 – Finance & Governance
8a Finance Update – Paper 14.5 – [Redacted]

8.1 [REDACTED] went through the paper noting the key issues which, following a review by management, have led to reprofiling of the budget across six key broad facets of work. During discussion [REDACTED] confirmed, in response to a question, that STDL is a going concern. **The Board endorsed the reprofiled budget.**

8.2 BH noted that a study was to be commissioned into steel making and the cost of this is above the delegated limit for STDC. TS noted that other steel makers were interested in this too. DA noted that he and Chris Beck (new Director of Business & Skills at TVCA) are meeting [REDACTED] next week to discuss this study. BC asked about the outputs of such an extensive study. BH advised that clarification would be sought at the meeting next week. He noted that previous studies had shown a shortfall in the short strip steel market and this study is meant to be a blueprint to hand to people in the steel making sector. DA noted that it would be a full asset review and report. BC noted that we must apply as much rigour to scrutinising this tender as we would to any other. **The Board endorsed development of the scope of this study.**

Action 4: STDC to provide details to the Board of the scope of the proposed study into steel making. **DA**

8b – SPV Governance – Paper 14.6 – David Allison

8.3 DA referenced the paper which included an update on progress in establishing the SPV including the appointment of 3 new Directors (the three Chief Officers of STDC). PB is no longer a Director. TS noted that BEIS are promoting diversity on Boards and it was agreed that, although STDC Board had previously advised that there should be no NEDs on the STDL Board, that STDC would consider this.

Action 5: STDC to consider the diversity of the STDL Board. **DA**

8c – STDL Articles of Association – David Allison

8.4 SH highlighted the requirement for the Articles of Association to be adopted by STDC. **The Board endorsed adoption of the Articles of Association as drafted.**

Item 9 – Committee & Group Reports

9a – Audit & Risk – Paper 14.7 – John Baker

9.1 JB noted that good progress was being made on risk and audit activity and that the that the workshop for the Board Risk Appetite review was now scheduled for 16 October, all Board members welcome.

9b – Business & Innovation – Paper 14.8 - Paul Booth

9.2 PB noted that B&IC had looked at diversification of activity across site. A positive discussion with NoF regarding Energi Cast and this sector demonstrated the enormous potential in the supply chain for offshore wind. A workshop is being planned and will consider how we can make more efficient use of the site whilst retaining the commitment to clean growth and offshore wind. DA noted that this demonstrates the power of a multi-faceted quay, [REDACTED]. On GRI it was noted that the Executive Team will deal with this enquiry making recommendations to the relevant committees before reporting back to the Board.

9c – Planning & Infrastructure – Paper 14.9 – Philip Leech

9.3 PL thanked JM for writing the paper and noted that P&IC had concluded that a generic plan is required which provides flexibility. Answers are not yet available to the questions raised at the last Board but a number of Strategic Reports (Strategy Studies) have been commissioned. JM noted the significance of these, and their interdependencies, as critical to delivery. Some will be completed within 4 months. Transport will probably take 6 months and it will be phased. It is recognised that we need to have some fixes in place to enable us to progress. DS advised that we need to fix the utilities corridor (a u-shape linking South Bank Wharf and the

[REDACTED] JM noted that fixing means there will be some things that we are unable to then do. PL reinforced the fact that we cannot continue to entertain all proposals and that there is a need to crystallise. This will make it easier to manage some of the business propositions by making it easier to say yes or no and will save considerable time. BH noted the close liaison between the Committees and looks forward to further reports to the Board.

Action 6: Proposal on the requirements, and costs, to develop the utilities corridor to be brought to the next Board. DS

9d – Design & Guidelines – Philip Leech

9.4 The Design Guidelines consultant, BDA, has now been commissioned and will report to the next DGT&F meeting in November.

9e - Energy & Utilities – Paper 14.10 - David Smith

9.5 DS gave an oral update in lieu of the paper noted on the agenda. He had spoken to [REDACTED] and is arranging a face to face meeting. As already noted a proposal will come to the next Board regarding the infrastructure/utilities corridor. There will also potentially be a proposition for private co-investment on that corridor. Board members are happy to support BH, DS and DA in developing that proposal.

Action 7: Plans for potential private co-investment on the Infrastructure/utilities corridor to be developed. DA

9f – People, Search & Remuneration – Paper 14.11 - John Baker

9.6 JB presented this paper in the absence of JT. It was noted that the discussion and action on implementing the new STDC structure was paused for a period [REDACTED]. The key action for the Board was to endorse the revised Terms of Reference. **Board endorsed the revised ToR.**

9g – Forward Programme – Paper 14.12 – [REDACTED]

9.7 Proposals identified during the meeting would be added to the Forward Programme.

Action 8: Proposals identified during the meeting to be added to the Forward Programme. [REDACTED]

Item 10 – Any other Business

10.1 It was noted that dates for Board meeting beyond March 2020 awaited TVCA fixing their Cabinet dates. The only item of other business was the need to consider if the date for the March Board fell within purdah for local elections. It is anticipated that purdah will be 25th March but this will be checked. If necessary the Board date will change.

Action 9: A check to be made on the date for commencement of purdah for the STDC Board in March. [REDACTED]

The meeting closed at 16.20

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Chairperson