

**REPORT TO THE TEES VALLEY COMBINED AUTHORITY
CABINET
15 MARCH 2024**

REPORT OF THE GROUP CHIEF EXECUTIVE OFFICER

**REFERRAL FROM STDC BOARD REGARDING ESTABLISHMENT OF SITE
MANAGEMENT COMPANY**

SUMMARY

Following its meeting on 29 February 2024, this Report brings forward a request from the South Tees Development Corporation (STDC) Board for TVCA to approve the establishment of a wholly owned subsidiary of STDC to deliver STDC's site management obligations, as more particularly described in this Report.

RECOMMENDATIONS

It is recommended that the TVCA cabinet:

1. Approves the establishment by STDC of a wholly owned subsidiary to undertake site management obligations.

DETAIL

1. S212(2)(a) of the Localism Act 2011, grants STDC the power to establish a body corporate with the consent of TVCA.
2. At its meeting on 29 February 2024, STDC approved plans for site management which include the establishment of a wholly owned subsidiary to manage its obligations for maintenance of the Teesworks site in accordance with RICS regulations for management of service charges to tenants.
3. The purpose of this Report is to request from TVCA the authority to establish a wholly owned subsidiary to take forward the site management plans set out in the STDC Board Report dated 29 February 2024, a copy of which is attached to this Report at Appendix 1.

FINANCIAL IMPLICATIONS

4. There are no financial implications for TVCA as a result of this proposed decision. Please see the legal implications section which summarises the nature of a Limited Company.



LEGAL IMPLICATIONS

5. At its meeting on 19 February 2024, STDC approved the establishment of a body corporate (a Limited Company). As detailed above, pursuant to Section 212 (2) (a), STDC requires the consent of TVCA to establish the body corporate. This Report seeks that consent. If TVCA approves the establishment of a body corporate, it will be established by way of a Limited Company for the purposes set out in the Report at Appendix 1.
6. It is proposed that the body corporate referred to at 5 above will be wholly owned by STDC.
7. Statute requires that the wholly owned separate corporate body only carries out activities which STDC is itself permitted to carry out.
8. A Limited Company is a separate legal entity which is distinct from its Directors. It is proposed that this Company be a Company Limited by shares.

RISK ASSESSMENT

9. Given there are no financial or legal implications of this report is an update it is categorised as low risk.

Name of Contact Officer: Julie Gilhespie
Post Title: Group Chief Executive Officer
Email Address: julie.gilhespie@teesvalley-ca.gov.uk