

SOUTH TEES DEVELOPMENT CORPORATION (STDC) BOARD

These minutes are in draft form until approved at the next Board meeting and are therefore subject to amendments.

Date: 29th February 2024

Time: 10am

Location: Teesworks Skills Academy, off Eston Road, Middlesbrough TS6 6UA.

Attendees:		Apologies:
Members		
Ben Houchen (Chair)	Tees Valley Mayor	Tom Smyth
Cllr Alec Brown	Leader, Redcar & Cleveland BC	
Graham Robb	Independent Member	
Neil Schneider	Independent Member	
David Smith	Independent Member	
Associate Members		
Julie Gilhespie	TVCA Group Chief Executive	
John Sampson	Associate Member	
Officers		
Gary Macdonald	TVCA Group Director of Finance & Resources	
Emma Simson	Acting Monitoring Officer. TVCA	
Sally Henry (Secretariat)	TVCA Governance Officer	
Also in attendance		
Anthony Grealley	Lichfields	

No	Agenda Item	Summary of Discussion
STDC 22/23	Welcome and apologies for absence	The Chair welcomed everyone to the meeting. Apologies were given as noted above.
STDC 23/2023	Declarations of Interest	No interests were declared.
STDC 24/2023	Minutes from previous meeting	The Board reviewed the minutes of the meeting held on 21 st September, 2023. Resolved that the minutes of the 21st September, 2023 are agreed.
STDC 25/2023	Chairs Update	The Chair advised the Board that there was nothing further to update them on that was not covered throughout the rest of the agenda.
STDC 26/2023	Group CEO Update	The South Tees Development Corporation (STDC) Board were provided an activity update since the last meeting. The update included:- <ul style="list-style-type: none"> • Decontamination project and COMAH Status; • Independent Review; • Freeport; • Tax Zones; • Utilities; and • Programme Development. Board were invited to ask questions or comment.

		<p>No questions or comments were received.</p> <p>RESOLVED THAT the Board noted the update.</p>
STDC 27/2023	Finance Update	<p>Board were presented with a report which updated on financial performance for 2023/24 against budget and the forecast position for remainder of 2023/24.</p> <p>The Group Director of Finance & Resources presented the report and highlighted the key areas to note.</p> <p>Board were invited to ask questions or comment.</p> <p>The Board were satisfied that the paper covered the material points. No questions or comments were received.</p> <p>RESOLVED THAT the Board noted the update.</p>
STDC 28/2023	STDC Treasury Management Report	<p>Board were provided a report which presented the Corporation's Treasury Management, Capital and Investment Strategies for the financial year 2024/25. The Capital Strategy incorporates within it the Minimum Revenue Provision Policy.</p> <p>The Group Director of Finance & Resources presented the report and highlighted the key areas to note.</p> <p>Board were invited to ask questions or comment.</p> <p>Neil Schneider commented that it was a good piece of work and enquired whether Stockton Borough Council provided the Treasury Management services for TVCA Group and whether it was going well and efficiently. He was advised that Stockton do continue to provide the service and it is going well.</p> <p>RESOLVED THAT the Board approved the Treasury Management, Investment and Capital Strategies for 2024/25.</p>

STDC 29/2023	Budget 2024-25 and Medium Term Financial Plan	<p>Board were advised that the STDC constitution requires that the Corporation annually sets out a financial budget, which must be formally approved by the board each year. The Budget provides the financial framework within which the Corporation will operate in the forthcoming financial year (2024-2025) and over the medium term.</p> <p>The Group Director of Finance & Resources presented the report and highlighted the key areas to note.</p> <p>Board were invited to ask questions or comment.</p> <p>Neil Schneider commented that it was to be commended that the entire demolition programme of the site had been completed nearly 2 years ahead of the original four-year estimate.</p> <p>RESOLVED THAT the Board approved the Budget for 2024-25.</p>
STDC 30/2023	Site Maintenance Arrangements	<p>The Board were provided a paper which set out approval for South Tees Development Corporation (STDC) to establish a 100% owned subsidiary to undertake the maintenance of the estate and administer the service charge regime to property owners and tenants as they come on board.</p> <p>Board were advised that the required staff are already in place and undertaking the roles but in order to be able to manage this appropriately to service third party property owners and tenants, these activities need to be ring fenced into a stand-alone company.</p> <p>The Group Chief Executive reminded board members that South Tees Site Company (STSC) was established by government following the closure of the Redcar Steelworks in 2015. It was staffed by former steelworkers who were responsible for the keep safe (including maintenance) of the site whilst it was COMAH regulated.</p> <p>With the removal of COMAH status it is now possible to operate the site as a commercial operation to</p>

		<p>manage both STDL's retained estate and the shared communal estate.</p> <p>The decision to establish the company is the responsibility of the STDC Board however permission to set up the company needs to be granted to STDC by TVCA Cabinet. TVCA's next Cabinet is 15th March 2024.</p> <p>Graham Robb and Neil Schneider both sought assurance that details of the service charges, performance, tenancy and consultation would be brought back to the Board. The Chair provided that assurance.</p> <p>Cllr Brown asked for assurance that Board would be provided with updates which he was given.</p> <p>RESOLVED THAT STDC Board:-</p> <ul style="list-style-type: none"> i. Approved the submission of a request to TVCA Cabinet to establish a 100% owned subsidiary of STDC under s212(2) of Localism Act 2011. The approval to set-up the company is subject to TVCA Cabinet approval; and ii. Approved appointing TEMCo as the service management provider for the STDC / STDL communal estates; and iii. Approved appointing TEMCo as the service management provider for the STDC / STDL retained estates; and iv. Approved for the STDC appointed Directors of South Tees Developments Limited (STDL), as landowner, to provide the necessary rights of access and for operational activity to take place in respect of TEMCo activities across the STDL owned site areas; and v. Approved TEMCo to engage with Teesworks Limited and tenants as applicable to discharge any of TEMCo's areas of responsibility across the Teesworks site ensuring where appropriate the agreement of appropriate charging mechanisms in
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		consultation with the Group Chief Executive Officer, Group Director of Finance and Resources and Monitoring Officer.
STDC 31/2023	Bio-Diversity Net Gains Update	<p>Anthony Greally from Lichfields attended STDC Board to provide board members with a presentation on the New Biodiversity Net Gain System (BNG).</p> <p>The presentation provided Board with the current position on BNG (as of 12th Feb) in England, the regulations and legislation that have recently come into force and in particular the ways for delivering net gain on development sites. They were advised that the strategy will be updated to account for the new regulations and guidance and to reflect the opportunities presented by revised assessment of undeliverable areas. On-site enhancements at Coatham Marsh will be delivered and undeliverable areas may be registered as offsite gains for use by Teesworks and others.</p> <p>Board were invited to ask questions or comment.</p> <p>Cllr Brown asked whether Coatham Marshes are protected and he was advised that they are protected under SSS1 Status.</p> <p>Neil Schneider asked whether, when submitted to Redcar & Cleveland, it is adopted through the statutory planning processes and he was advised that this is the case.</p> <p>Board were also advised that planning applications have a red-line boundary and that if anything falls outside of the red line boundary it is not included in this process.</p> <p>Board were advised that there are statutory consultees included within the new strategy. Government have approached TVCA to run the strategy and this will be a template to develop a regional strategy.</p> <p>Neil Schneider asked who the regulator is and was advised that it is the responsibility of the Local Authority. Sites will be added to a national register and ecologists will monitor this. He expressed concern that if there is not sufficient capacity of specialists to deliver the new requirements it will lead to delays and inflationary costs.</p> <p>Graham Robb expressed his thanks for the presentation and update which had been very informative.</p>

		RESOLVED that Board noted the update.
STDC 32/2023	Tees Valley Review	<p>Board was provided an update on the Independent Review into the Tees Valley Combined Authority's oversight of the South Tees Development Corporation and Teesworks Joint Venture (Teesworks Limited).</p> <p>The Tees Valley Review was commissioned by the Secretary of State for the Department for Levelling up Housing and Communities on 7 June 2023. Board were provided the Terms of Reference, the Tees Valley Review report on conclusion of the review, and a letter from the Secretary of State to the Tees Valley Mayor requesting a response to the report recommendations.</p> <p>Board was advised of the plan for responding to the Secretary of State in response to the Tees Valley Review panel's recommendations which incorporates extensive work with local authority representatives. The key stages of the plan were highlighted.</p> <p>A report will be presented to TVCA Cabinet which will set out the process for involving members including Cabinet members, Overview & Scrutiny and Audit & Governance Committees.</p> <p>Board was asked to formally appoint Neil Schneider as the STDC sponsor for the process.</p> <p>Both Graham Robb and Neil Schneider asked for assurance that Neil's role would be an active role and that Board could feed comments to Neil and he would then feed into the process.</p> <p>Neil also commented that there were several areas which he felt could be improved including governance, servicing and functioning of the board and agreed that he would consult all board members to ensure it is an inclusive process which contributes to the review.</p>

		<p>Board also noted that following the Mayoral election in May, there may be a different Mayor who may want to be involved in the process.</p> <p>Board was informed that Mark Edgell from the LGA will be advising and will work with TVCA officers to ensure that what is being proposed is correct.</p> <p>The Centre for Overview & Scrutiny will provide advice to ensure scrutiny is embedded in properly.</p> <p>Cllr Brown enquired how we assure the public that we are doing everything we can and asked whether the public could be engaged with and if their comments could be considered by the working group.</p> <p>Neil Schneider suggested that there be a LGA peer review of governance of STDC and TVCA a year after the recommendations from the review are implemented so as to provide a clear commitment to the improvements.</p> <p>RESOLVED THAT STDC Board:</p> <ol style="list-style-type: none"> 1. Noted this report and notes the work TVCA is coordinating to respond to the Secretary of State and the timescales within which TVCA is working; 2. Noted the recommendations for His Majesty’s Government within the report; 3. Noted the STDC Board’s role in considering the Tees Valley Review report and; 4. Endorsed the proposed process to respond to the recommendations from the Tees Valley Review report, detailed in Paragraph 5 of this Report; and 5. Formally appointed Neil Schneider as the STDC Board sponsor for the process. 6. Instructed the Group Chief Executive to formally write to the joint venture partners to request a renegotiation of the joint venture terms and to codify them into one agreement.
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<p>At this point in the meeting, the Acting Monitoring Officer advised Board that, as a public meeting, STDC invites questions from the public 48 hours in advance of the board meeting. In advance of this meeting, 51 questions were received. All questions have been answered in full and the questions and answers are now published on the TVCA website. None of the questions pertained to decisions that were being made at today's meeting so questions were not read out at the meeting. Members have been sent copies of the questions and answers. The Chair thanked officers for the work that had gone into preparing the answers in such a short space of time.</p>		
<p>STDC 33/2023</p>	<p>STDC V PD Ports – Litigation Update</p>	<p>Board were provided an update in relation to the litigation with PD Ports for negative declaratory relief in respect of rights PD Ports claimed to have over the Teesworks Site.</p> <p>The update included:-</p> <ul style="list-style-type: none"> • The Judgement; • Court timetable; • Next steps. <p>Julie Gilhespie advised Board that, following the judgement, there is now clarity on what rights of access PD Ports have across the site.</p> <p>The Chair presented Board with a map showing the full site, overlaid with a map showing the areas that PD Ports asserted to have over the site. The Chair reiterated that TVCA were happy to accept any rights held by PD Ports, but proof was needed to provide clarity to future investors in the site.</p> <p>Neil Schneider commented that the map gives a clear visual representation of the complexity and nature of land and access ownerships and rights.</p> <p><i>Under the terms of paragraph 3 of schedule 12a of the Local Government Act, the Chair passed a motion to exclude press and public at this stage of the meeting so the Board could discuss matters of a Confidential nature. The proposal was made by David Smith and seconded by Councillor Alec Brown.</i></p>

STDC 34/2023	STSC Update	<p>THIS ITEM IS EXEMPT BY VIRTUE OF PARAGRAPH 3 OF SCHEDULE 12A LOCAL GOVERNMENT ACT 1972</p> <p>Board members were provided an update on the key EHS activities.</p> <p>RESOLVED THAT the Board noted the update.</p>
STDC 35/2023	JV Power Update	<p>THIS ITEM IS EXEMPT BY VIRTUE OF PARAGRAPH 8, 9 & 10 OF SCHEDULE 12A LOCAL GOVERNMENT ACT 1972</p> <p>Graham Robb declared an interest in this item as he has a client on the Teesworks site so left the meeting at this point.</p> <p>RESOLVED THAT STDC Board approved the recommendations within the report.</p>
	Date & Time of Next Meeting	TBC