

South Tees Development Corporation Board

Annual General Meeting

Date: Friday, 5 July 2024, at 2.30pm

Venue: Teesworks Skills Academy

***Membership**

*Board Member appointments are to be approved at Cabinet AGM on Thursday, 27 June 2024, the details of which are to be confirmed by the South Tees Development Corporation Board under agenda item 4, 'Governance and Appointments'.

AGENDA

1. Apologies for Absence

To receive any apologies for absence.

2. Declarations of Interest

To receive any declarations of interest.

3. Minutes of Previous Meeting

To approve as a correct record the minutes of the meeting held on 12 March 2024.

4. Governance and Appointments

To confirm a number of items of business that the South Tees Development Corporation Board is required to confirm at their AGM.

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(Appendix 1 of this item is exempt from publication by virtue of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of schedule 12A of the Local Government Act 1972)

5. Date and Time of Next Meeting

Thursday, 18 July 2024 at 10.00am

Members of the Public – Rights to Attend Meeting

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A(4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.

Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people, please contact:

tvagovernance@teesvalley-ca.gov.uk

South Tees Development Corporation Declaration of Interests Procedure

1. The purpose of this note is to provide advice and guidance to all members of the Development Corporation Board and Audit & Risk Committee on the procedure for declaring interests. The procedure is set out in full in the Development Corporation's Constitution under the "Code of Conduct for Members" (Appendix 3).

Personal Interests

2. The Code of Conduct sets out in full, the principles on the general conduct of members in their capacity at the Development Corporation. As a general principle, members should act impartially and should not use their position at the Development Corporation to further their personal or private interests.
3. There are two types of personal interests covered by the Constitution:
 - a. "disclosable pecuniary interests". In general, a disclosable pecuniary interest will involve any financial interests, such as paid employment or membership of a body, interests in contracts, or ownership of land or shares. Members have a pecuniary interest in a matter where there is a reasonable likelihood or expectation that the business to be considered will affect your well-being or financial position, or the well-being or financial position of the following persons:
 - i. a member of your family;
 - ii. any person with whom you have a close association;
 - iii. in relation to a) and b) above, their employer, any firm in which they are a partner, or a company of which they are a director;
 - iv. any person or body in whom persons described in a) and b) above have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
 - v. any body as described in paragraph 3 b) i) and ii) below.
 - b. Any other personal interests. You have a personal interest in any business of the Development Corporation where it relates to or is likely to affect:
 - i. any body of which you are a member (or in a position of general control or management) and to which you are appointed or nominated by the Development Corporation;
 - ii. any body which:
 - exercises functions of a public nature;
 - is directed to charitable purposes;

- one of whose principle purposes includes influencing public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management).

Declarations of interest relating to the Councils' commercial role

4. Financial relationships between the Development Corporation and individual councils do not in themselves create a conflict of interest for Council Leaders who are also Development Corporation Board members. Nor is it a conflict of interest if the Development Corporation supports activities within a council boundary. Nevertheless, there are specific circumstances where the Board may consider entering into direct contractual arrangements with a council, for example in relation to a particular commercial investment project, or in which that council is a co-funder. In these circumstances a non-pecuniary declaration of interest should be made by the Council Leader or their substitute.

Procedures for Declaring Interests

5. In line with the Code of Conduct, members are required to adhere to the following procedures for declaring interests:

Register of Interests

6. Each member is required to complete a register of interests form with their personal interests, within 28 days of their appointment to the Development Corporation. If no declaration is received from elected members within 28 days the matter may be referred to the Head of Paid Service of your local authority and Leader of the political group you represent on your council for action. If a Declaration is not submitted within an appropriate timescale you may be prevented from attending committee meetings. Details of any personal interests registered will be published on the Development Corporation's website, with the full register available at the Development Corporation's offices for public inspection. The form will be updated on an annual basis but it is the responsibility of each member to notify the Monitoring Officer of any changes to the register throughout the year. Notification of a change must be made to the Monitoring Officer within 28 days of becoming aware of that change.

Declaration of Interests at Meetings

7. The Development Corporation will include a standing item at the start of each statutory meeting for declaration of interests. Where members are aware that any of their personal interests are relevant to an item of business being considered at a meeting they are attending, they must declare that interest either during the standing item on the agenda, at the start of the consideration of the item of business, or when the interest becomes apparent, if later.
8. Where members consider that their interest could be considered by the public as so significant that it is likely to prejudice the members' judgement then they may not participate in any discussion and voting on the matter at the meeting, but may attend the meeting to make representations, answer questions or give evidence relating to the business, before it is discussed and voted upon.
9. If the interest is a disclosable pecuniary interest (as summarised in paragraph 3a) then the member must leave the meeting room during discussion and voting on the item of business, but may make representations, give evidence and answer questions before leaving the meeting room. Failure to comply with the requirements in relation to disclosable pecuniary interests is a criminal offence.

Sensitive Information

10. Members can seek the advice of the monitoring officer if they consider that the disclosure of their personal interests contains sensitive information.

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: 12 March 2024 Time: 2.00pm

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

Attendees:		Apologies:
Members		
Ben Houchen (Chair)	Tees Valley Mayor	Graham Robb (Attended via Teams – did not participate in the vote) (GR)
Councillor Alec Brown (AB)	Leader, Redcar & Cleveland BC	David Smith
Neil Schneider (NS)	Independent Member	
	Independent Member	
Associate Members		
Julie Gilhespie (JG)	TVCA Group Chief Executive	
John Sampson (JS)	Associate Member	
Tom Smyth (TS)	Associate Member	
Officers		
Gary Macdonald (GM)	TVCA Group Director of Finance and Resources	
Emma Simson (ES)	TVCA Acting Monitoring Officer	
Governance Officer	TVCA	

No	Agenda Item	Summary of Discussion
STDC 36/2023/24	Welcome and apologies for absence	The Chair welcomed everyone to the meeting. Apologies were given as noted above.
STDC 37/2023/24	Declarations of Interest	No interests were declared.
STDC 38/2023/24	Chair's Update	The Chair advised the Board that there was nothing further to update that was not covered elsewhere on the agenda. The Chair invited the Monitoring Officer to read out the questions submitted by members of the public and subsequent responses. The Monitoring Officer reported that several questions had been received with only four relating to agenda items. The four questions had been answered and uploaded to the TVCA website. All other questions would be dealt with via the Freedom of Information (FOI) process.
STDC 39/2023/24	Remediation Financing Update	The Chair opened this section of the meeting by informing board members that should they wish to discuss appendix two, the press and public would need to be excluded under the terms of paragraph 3 of schedule 12a of the Local Government Act. Board members were provided with an update on the landfill tax relief scheme and the proposals for the wider site to benefit from the advantages of this scheme going forward. At its meeting on 16 March 2023, STDC Board approved a financing model for remediation of future sites, based on the expectation that the landfill tax relief required applicants to be public bodies. The Board was reminded that the nature of the Teesworks site was such that individual

		<p>plots of land were likely not to be viable for development due to the costs of remediation, therefore access to the landfill tax scheme was likely to aid the viability of the site.</p> <p>A scheme was approved by Board whereby STDC retained ownership of a relevant part of the site during the remediation process to allow for it to claim the landfill tax relief, and that Teesworks Limited, which had responsibility to deliver and fund the remediation of the site, would exercise its option post remediation. It was proposed that Teesworks Limited refunded STDC for all costs associated with the remediation, within three months of completion of the remediation works. It was proposed that this arrangement would act as a subsidy control compliant financing facility.</p> <p>The Board was then provided with an update on the status of the landfill tax legislation and a decision sought to reconfirm its approval based on the current position.</p> <p>The Chair asked what would happen in a scenario where there was little or no landfill requirement for a plot on site?</p> <p>It was advised that the landfill tax grant scheme was predicated on the remediation project being unviable without the grant. At the beginning of the process, STDC were unlikely to know whether there was a landfill requirement and on the assumption that a prospective tenant has been identified, legal work was required to undertake site testing, structure the contracts for the remediation work and the contracts for the tenant's option at the same time and hence STDC would need to agree the structure in advance. If it turned out that there was no or limited requirement for landfill, the grant would not be applied for and the remediation costs, including landfill tax to the extent required would form part of the total project cost fully refundable by Teesworks Limited (TWL)</p> <p>In addition, what would happen in a scenario where a plot was proposed for development on the basis of receipt of landfill tax grant and it proceeded on that basis. Subsequently, the Government scheme assessment disagreed on the basis that they felt the scheme was viable without landfill tax grant?</p>
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		<p>It was advised that it would be similar to the first example except there would be a larger landfill tax requirement. It would be up to TWL to decide if they wished to go ahead with this scheme in these circumstances.</p> <p>The Board were advised about the background and process in relation to tax relief. It was advised that it was managed and maintained by central government who would be responsible for ensuring the appropriate checks and balances were in place as part of their assessment of any landfill tax grant application.</p> <p>AB and NS requested confirmation that any proposal to proceed with the remediation financing proposal would only go ahead if the legal advice received categorically confirmed that the proposals were legally compliant including appropriate subsidy control compliance. The Monitoring Officer confirmed that as statutory officers the proposals could not go ahead unless they were lawful and compliant, including subsidy control compliance.</p> <p>NS asked statutory officers if the decision proposed constituted a referral decision to TVCA. The statutory officers confirmed that the proposal and recommendations contained within the report did not constitute a referral decision.</p> <p>Members were informed that the dispensation of this relief was for the Government to determine. Applications were to be reviewed based on the evidence provided.</p> <p>Under the terms of paragraph 3 of schedule 12a of the Local Government Act, the Chair invited a motion to exclude the press and public during the consideration of appendix two to the report.</p> <p>The proposal was moved by Neil Schneider and seconded by Ben Houchen.</p> <p>Members were advised by the Monitoring Officer that the recommendations were not referral decision.</p>
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		<p>RESOLVED: That STDC Board:</p> <ol style="list-style-type: none"> 1. Noted the current position on landfill tax relief; 2. Reconfirmed its approval from 16 March 2023 (a copy of the report was attached at Appendix one) of the financing scheme designed to deliver remediated sites while taking advantage of this relief; 3. Delegated to the Monitoring Officer in consultation with the Mayor, the Group Chief Executive and Group Director of Finance and Resources, the authority to finalise the legal agreements as set out in this Report; and 4. Delegated to the Group Director of Finance and Resources the authority to approve finance agreements within the STDC approved funding facilities, subject to reporting on the level of this in the finance update at quarterly STDC Board meetings.
	Date and Time of Next Meeting	To be confirmed.

REPORT TO THE ANNUAL MEETING OF THE SOUTH TEES BOARD

5 JULY 2024

REPORT OF ACTING CHIEF LEGAL OFFICER (MONITORING OFFICER)

GOVERNANCE & APPOINTMENTS

SUMMARY

The South Tees Development Corporation Constitution provides that the Corporation should hold an annual meeting to consider any amendments to its procedures, to recommend changes to its Constitution to the Combined Authority, and to make appointments to Committee roles.

This Report details the Constitutional requirements for the Annual Meeting of the South Tees Development Corporation Board.

RECOMMENDATIONS

It is recommended that the STDC Board:

- i. **NOTES** its membership as set out in Appendix 1;
- ii. **NOTES** the position of the South Tees Development Corporation Audit &
- iii. Governance Committee as set out in Paragraphs 6-11;
- iv. **NOTES** the appointment of Mike Sharp as the Chair of the South Tees
- v. Development Corporation Audit & Governance Committee;
- vi. **APPROVES** the appointment and removal of Directors of South Tees Site Company Limited as detailed in Paragraph 18;
- vii. **APPROVES** the recommendations in Paragraph 26 in relation to the transfer of Health & Safety responsibilities and consequential governance changes; and
- viii. **NOMINATES** the South Tees Development Corporation's Board Member representative for the Freeport Board for Cabinet approval.

DETAIL

Annual General Meeting – South Tees Development Corporation (STDC)

1. The South Tees Development Corporation Constitution provides that the Corporation should hold an annual meeting to consider any amendments to its procedures, to recommend changes to its Constitution to the Combined Authority, and to make appointments to Committee roles.

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2. The South Tees Development Corporation Constitution (STDC) provides detail of the matters that should be considered at the Annual General Meeting of the STDC Board.

Membership of South Tees Development Corporation

3. Paragraph 2 of Part 2 of the Tees Valley Combined Authority Constitution provides that at the Annual General Meeting of Cabinet, Cabinet shall appoint the Board of the South Tees Development Corporation together with the Chair and Vice Chair of the Board, upon the recommendation of the Mayor.
4. The Tees Valley Combined Authority held its Annual General Meeting on 27 June 2024 and the appointments to the South Tees Development Corporation Board were made, as detailed in **Appendix 1**.
5. The Board is asked to **NOTE** its membership as set out in Appendix 1.

South Tees Development Corporation – Audit & Governance Committee

6. Paragraph 44 of the South Tees Development Corporation provides that the Corporation shall establish an Audit & Governance Committee.
7. The Combined Authority's Audit and Governance Committee is permitted to appoint one of its members to be a member of the Corporation's Audit and Governance Committee. The other members of the Corporation's Audit and Governance Committee shall be appointed by this Board.
8. At its meeting on 12 July 2024 the Combined Authority's Audit & Governance Committee will make its nomination for the Corporation's Audit & Governance Committee. This nomination will be brought back to this Board to note at its next meeting following the nomination.
9. In addition to the nomination from the Tees Valley Combined Authority Audit & Governance Committee, the Corporation's Audit & Governance Committee consists of a number of Independent Members. Independent Members are appointed by the Board following an open and transparent recruitment process. Members are appointed for a term of office as confirmed at the time of their appointment.
10. In addition to the nomination from the Combined Authority Audit & Governance Committee, the current independent members of the Corporation's Audit & Governance Committee are:

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Allan Armstrong
John Baker
Mike Sharp <i>(Chair)</i>
Geoff Westmoreland

- 11. The quoracy for the Corporation Audit & Governance Committee is 3 members which must include the Chair/Vice Chair. A recruitment campaign will be launched shortly for additional Audit and Governance members for resilience and succession planning. Any suitable applicants will be interviewed and if deemed appropriate, will be brought to this Board for appointment.
- 12. The Board is asked to **NOTE** the position of the South Tees Development Corporation Audit & Governance Committee.

Chair of South Tees Development Audit & Governance Committee

- 13. The Mayor with agreement of the Combined Authority, shall appoint an independent Chair of the Audit and Governance Committee who is not also a member of the Corporation's Board. At its Annual General Meeting held on 27 June 2024, the Tees Valley Combined Authority Cabinet approved the Tees Valley Mayor's proposal to appoint Mike Sharp as Chair of the South Tees Development Corporation Audit & Governance Committee.
- 14. The Board is asked to **NOTE** the appointment of Mike Sharp as the Chair of the South Tees Development Corporation Audit & Governance Committee.

South Tees Site Company Limited

- 15. South Tees Site Company Limited is to assist the Board in delivering the key objectives of STDC. The primary responsibility of the STSC Board has been to lead-on Health and Safety Issues for the Teesworks site. The Board must include a non-executive Chairperson, non-executive directors, Group Chief Executive, Group Director of Finance & Resources, such other executive directors whose appointment is made from time to time in accordance with the Articles of Association.
- 16. The Articles of Association of STSC (at 5.3.22) require that the Sole Shareholder of the Company (South Tees Development Corporation) consents to the appointment or removal of Directors. A Resolution will then be taken by the Board of STSC to agree the proposed removal/appointment.
- 17. It has been an established approach that the Leader of Redcar & Cleveland Borough Council has been appointed to the South Tees Site Company Board. Although losing the

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local election in 2023 and no longer the Leader of Redcar & Cleveland Borough Council, Mary Lanigan remains on the board of STSC.

18. The Board is asked to **APPROVE**:

- a. the removal of Mary Lanigan as a Director of South Tees Site Company Limited; and
- b. the appointment of Alec Brown, Leader of Redcar & Cleveland Borough Council as a Director of South Tees Site Company Limited,

to enable the Company to seek those resolutions at its next Board Meeting.

Health & Safety Responsibilities

19. At its meetings on 29 July 2020 and 30 September 2020, this Board received Reports which set out proposals to acquire the entire issued share capital of STSC. These reports recognised that the acquisition of STSC increased STDC's overall operating risk as responsibility was assumed for the management and remediation of an upper tier COMAH site. It was acknowledged in the same reports that as STSC had been responsible for the safe management of the site and its hazards for around four years, it was considered the lowest risk approach to continuing the safe operation of the site.
20. The Terms of Reference for STSC and the Memorandum of Association therefore note that the primary responsibility of STSC would be to lead on Health and Safety Issues for the Teesworks site and to manage, operate and maintain the site in accordance with applicable health and safety legislation, all other laws and good industry practice.
21. On 15 November 2023 the COMAH (Control of Major Hazards) status of the Teesworks Site was removed and the site no longer holds this classification. This means that STSC is no longer the COMAH operator with strict defined responsibilities under the COMAH Regulations.
22. Works now being undertaken at the Teesworks site are no longer dealt with under the COMAH Regulations and as such, now come under general health and Safety legislative requirements with the key legislation been the Construction Design & Management (CDM) Regulations 2015 as well as general duties under the Health and Safety at Work Act 1974 (HASAWA 74) and Management of Health and Safety at Work Regulations 1999 (MHSWR 99).
23. It is therefore proposed that as part of the winding down of STSC, this Board assumes responsibility for health and safety matters for the parts of the Teesworks site owned by STDC/STDL.
24. As part of the transfer of these responsibilities it is proposed that the STDC Board receives a quarterly report regarding Health and Safety matters.

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25. It should be noted that it is proposed that STSC will retain responsibility for any Health and Safety matters which arose prior to the transfer of the responsibilities in relation to Health and Safety and that any arrangement for the transfer of those responsibilities will see STDC accept them from the date of transfer, and as such, STDC will not inherit any additional risk in respect of any antecedent breaches, claims or potential claims, which will remain with STSC.
26. It is recommended that the Board:
- a. **APPROVES** the proposal to move the responsibility for the management of Health and Safety at the Teesworks site from STSC to STDC;
 - b. **APPROVES** any required amendments to the Memorandum of Association and Articles of Association of STSC in order to permit the transfer of the responsibilities referred to at 26(a) above; and
 - c. **DELEGATES** authority to the Chief Executive, s73 Officer and Monitoring Officer to ensure that all legal and other regulatory matters are in place to allow the effective and legal management of health and safety at the Teesworks site.

Nomination to Freeport Board

27. The Tees Valley Combined Authority Constitution provides for the appointment of the Freeport Board by Cabinet on the recommendation of the Tees Valley Mayor.
28. At its meeting on 27 June 2024, TVCA Cabinet approved a Freeport Board membership which included the proposal for a STDC Board Member.
29. Given the link between the South Tees Development Corporation, and the Teesside Freeport, it is recommended that the Board **NOMINATES** one of its members (in addition to those already appointed Freeport Board by nature of their wider role) to be its representative on the Freeport Board, for **APPROVAL BY CABINET.**

Constitutional Amendments

30. At its Annual General Meeting, as provided for in the STDC Constitution, the Board is asked to approve any proposed amendments to its Constitution.
31. Following the Tees Valley Review and the Recommendations contained therein, the Board will approve any proposed amendments to its Constitution before the TVCA Cabinet Meeting in September.

Members Allowances Scheme

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32. Members' travel and subsistence allowances for the year 2024-25 are detailed in **Appendix 2**.

FINANCIAL IMPLICATIONS

33. Support for the governance of STDC is provided from within TVCA's core budget, as agreed by Cabinet through the annual budget process, and funded through resources devolved from central government.

LEGAL IMPLICATIONS

34. The report relates to the Constitution of the South Tees Development Corporation which sets out the appropriate statutory framework. The Constitution came into effect on 1st August 2017 and is legally binding.
35. In relation to the proposed transfer of Health & Safety responsibilities, all appropriate laws and regulations will be complied with. As part of the transfer all appropriate advice will be taken to ensure that the appropriate personnel, systems, processes, risk registers and policies are in place to ensure the effective management of Health and Safety. This will be reported to the Board at the first update following the transfer.

RISK ASSESSMENT

36. This report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

EQUALITY & DIVERSITY

37. The subject of this report is not expected to have any impacts on groups of people with protected characteristics.

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TVCA GROUP MEMBERS' ALLOWANCES SCHEME

1st APRIL 2024 TO 31st MARCH 2025

In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) ("the Regulations"), the Tees Valley Combined Authority Group's scheme for the payment of Expenses, with effect from 1st April 2024 is as follows:

It is hereby agreed that members' expenses shall only be payable for travel outside of the Tees Valley, this includes the independent members of the Audit and Governance Committee.

The Mayor and the Chair of the Business Board may, however, claim expenses for travel within as well as outside the Tees Valley.

Travel and Subsistence Expenses

- Mileage Expenses
 - Member's motorcycle 21.45p per mile
 - Member's car 46.9p per mile (or round trip journeys in excess of 75 miles, all miles in excess of 75 will be paid at the lower mileage rate of 13.7p per mile)
 - Bicycle/Cycle 23p per mile
 - In addition, 5p per mile can be claimed for each passenger carried (up to a maximum of 4) to whom a travelling allowance would otherwise be payable

- Subsistence Overnight Allowance
 - Subsistence Overnight Allowance or for an annual conference of the Local Government Association (including or not including an annual meeting) or of such other association of bodies as may be approved. This allowance would normally cover the cost of accommodation

- Expenses may be paid for:
 - a meeting of some other body to which the Combined Authority makes appointments or nominations, or
 - a meeting which has both been authorised by the Combined Authority or a committee or sub-committee of the Combined Authority and one or more other authorities, a meeting of a local authority association of which the Combined Authority is a member, or
 - any other duty approved by the Combined Authority in connection with discharging the duties of the Combined Authority or its committees or sub-committees.

Within the context of this section of the Scheme "Member" includes a Substitute Member.

- General
 - A person may, by notice in writing given to the Proper Officer of the Combined Authority, elect to forgo their entitlement or any part of his/her entitlement to Expenses
 - The time limit from the date on which an entitlement to an allowance arises during which a claim for the allowance must be made by the person to whom they are payable is two months

Appendix 2

- This will not however prevent the Combined Authority from making a payment where the allowance is not claimed within the period specified in the scheme should the circumstances justify doing so
- Where a Member of the Combined Authority is also a member of another authority, that Member may not receive Expenses from more than one authority in respect of the same duties
- Where a Member's employer pays or has paid the Member's Expenses, that Member may not also receive Expenses from the Combined Authority
- Where payment of any allowance has already been made in respect of any period during which the Member concerned:- (i) ceases to be a Member of the Combined Authority; or (ii) is in any other way not entitled to receive the Expenses in respect of that period, the Combined Authority may require that such part of the allowance as relates to any such period be repaid to the Combined Authority.