

Date: Thursday 21st September, 2023 @ 10am.

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

Membership:

Mayor Ben Houchen (Tees Valley Mayor)
Cllr Alec Brown (Leader, Redcar & Cleveland Borough Council)
Graham Robb (Independent Member)
David Smith (Independent Member)
Jacob Young MP (Independent Member)
Neil Schneider (Independent Member)

Associate Membership:

Julie Gilhespie (Group Chief Executive TVCA, STDC)
Tom Smyth (BEIS)
John Samson (Leader, Redcar & Cleveland Borough Council)

AGENDA

1. **Apologies for Absence**
2. **Declarations of Interest**
Attached
3. **Minutes**
Minutes of the meeting held on 21st July, 2023 for confirmation attached
4. **Chair's Update**
Verbal
5. **Group CEO Update**
Attached
6. **Governance Update**
Attached
7. **Finance Update**
Attached
8. **STSC Update**

This item is confidential by virtue of paragraphs 3 of schedule 12A of the Local Government Act 1972
9. **Confidential Item 1**
This item is confidential by virtue of paragraphs 3 of schedule 12A of the Local Government Act 1972
10. **Confidential Item 2**
This item is confidential by virtue of paragraphs 3 of schedule 12A of the Local Government Act 1972
11. **Date and Time of Next Meeting**

30th November, 2023 - 10am

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: 21st July, 2023

Time: 3pm

Location: Teesside Airport Business Suite, Teesside International Airport, Darlington DL2 1NJ

Attendees:		Apologies:
Ben Houchen (Chair)	Tees Valley Mayor	Julie Gilhespie
Cllr Alec Brown	Leader, Redcar & Cleveland BC	John Sampson
Graham Robb	Independent Member	Emma Simson
Jacob Young MP	Independent Member	Tom Smyth
Neil Schneider	Independent Member	
Gary Macdonald	TVCA Group Director of Finance & Resources	
Ian Kirk	JV Partner	
John McNicholas	Teesworks	
Brian Archer	Redcar & Cleveland BC	
Sally Henry (Secretariat)	TVCA Governance Officer	
David Smith – joined the meeting via Teams	Independent Member	

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
STDC 01/23	Welcome and apologies for absence	<p>The Chair welcomed everyone to the meeting and introductions to new Board members were made.</p> <p>Apologies were given as noted above.</p> <p>Board were advised the interim Monitoring Officer, Emma Simson had submitted apologies but if members wished to ask any questions or seek advice, they should do so during the meeting and they will be responded to in writing following the meeting.</p>		
STDC 02/2023	Declarations of Interest	<p>Cllr Brown and Brian Archer declared a pecuniary interest relating to the ERF project on site.</p> <p>Graham Robb declared an interest in agenda item 11 as he provides the PR for a company mentioned in the report. When this item was discussed, Graham Robb left the room.</p>		
ANNUAL GENERAL MEETING				
STDC 03/2023	Governance & Appointments	<p>Board members were presented a report which detailed a number of items for agreement and confirmation at its Annual General Meeting.</p> <p>NS enquired whether the Mayor of Middlesbrough had been invited to join the Board, given the impact of the development at STDC he would be surprised if they did not want to be involved. He was advised that, while the Constitution does not require him to be on the Board, he was invited to join but had declined.</p>		

		<p>NS sought assurances that all the Tees Valley Councils received regular and timely briefings given the impact regeneration at the site would have across the Tees Valley. The Chair acknowledged and agreed they would.</p> <p>Resolved that Board :-</p> <ul style="list-style-type: none"> i.agrees the appointments as set out at Appendix 1 ii.agrees the members’ allowances scheme for 2023-24 at Appendix 2 iii.note that the Acting Monitoring Officer will review the Constitution in time for the next STDC Board meeting. 		
BUSINESS MEETING				
STDC 04/20234	Minutes from previous meeting	<p>The Board reviewed the minutes of the meeting held on 20th April, 2023.</p> <p>GM advised Board members that Item 11 on the agenda covers the outstanding action from the 20th April meeting.</p> <p>Resolved that the minutes of the 20th April, 2023 are agreed.</p>		
STDC 05/2023	Chairs Update	<p>The Chair advised the Board that demolition on site is now complete. It is the intention that the COMAH status will be removed by the end of the year however the request has not been submitted to Government yet whilst final arrangements for removal of COMAH substances are made. It was acknowledged that the removal of the COMAH status will be a significant milestone for the site.</p> <p>Resolved that The Board noted the update.</p>		

STDC 06/2023	Group CEO Update	<p>The Board were provided a report which updated them on activity since the last meeting.</p> <p>The report covered:-</p> <ul style="list-style-type: none"> • Decontamination Project and COMAH Status; • Freeport; • Utilities; • Programme Development. <p>JY enquired when the independent investigation will be completed. He was advised that the inquiry team have been provided with in excess of 400 pages of documents. The timescales for the review are a matter for the Independent Review Panel and officers are engaging with all requests for information in a comprehensive and timely manner. It is not yet known when the inquiry will conclude but it is hoped that the outcome will be soon.</p> <p>NS also asked about the current occupancy of the site and what interest there is on-going.</p> <ul style="list-style-type: none"> • Board were advised that full remediation of the NZT site had commenced, and that construction should commence in quarter 2 next year. • SeAH Wind have now commenced construction. To provide an idea of the size of the facility, Board were advised that once complete, it would be the size of 14 Riverside Stadiums. • Work is ahead of schedule on the quay and the forecast demands for the use of the quay are high and based on the current level of interest the capacity of the quay will be very high. As such, work on the 2nd phase of the quay is being developed to look at how future demands can be proactively serviced. 		

		<ul style="list-style-type: none"> • Circular Fuels have just been granted planning permission and are finalising funding. • Teesworks is shortlisted for the new Rolls Royce Small Modular Reactor (SMR) factory; • A wind energy sector logistic tenant, a floating wind farm operator were amongst other tenants currently expected to complete very soon. • Of the deliverable site, over 50% of land is either in delivery, in legals or in heads of terms and a comprehensive update was given to the Board. <p>GR also enquired if the Freeport benefits had been a key determinant in the attraction and securing of tenants to the site.</p> <p>Board were advised that having the Freeport is just one of many advantages of the site. The site location, deep water port capabilities, quayside facilities and connectivity and Freeport benefits, There is ongoing work to ensure the skills opportunity is maximised for local workforce including use of existing skilled labour, retraining local people and (including maximising those with transferrable skills) in the required clean growth sector skills and working with partners to help local people back into employment where applicable.</p> <p>Board requested that, at their next meeting, they receive a presentation which shows current occupancy on site and included job figures, GVA and skills.</p> <p>NS also sought assurance that a comprehensive economic assessment of the regeneration of the site was undertaken, taking into account gaps in local provision and any leakages out of the region. The Chair agreed that such an item would be brought to a future Board meeting.</p> <p>RESOLVED THAT:-</p>		
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		<ul style="list-style-type: none"> i. the Board noted the update; ii. at the next Board there is a presentation showing current occupancy on site, GVA and job figures; iii. an economic impact assessment presentation is provided at a future Board. 		
STDC 07/2023	Finance Update	<p>The board were presented with a report which updated them on the financial performance for 2022/23 against budget and the forecast position for 2023/24 and 2024/25.</p> <p>GM highlighted the main points to note from the report including investment to date, performance vs budget and key variances to date. GR commented that the performance vs budget was excellent and that given the many challenges that required managing on a site of this nature it was an achievement to manage the budget within such levels.</p> <p>The Board commented that whilst there was more work to be done this put the Board in a strong position going forward into the next phase of development.</p> <p>The Chair suggested that a future meeting includes an item on bio-diversity net gains.</p> <p>RESOLVED THAT:-</p> <ul style="list-style-type: none"> i. the Board noted the update; ii. a presentation on bio-diversity net gains be included on the agenda of a future meeting. 		
STDC 08/2023	Freeport Update	Board were provided a report which advised that two new Freeports in Wales and in addition eight Investment Zones have been announced. The Investment Zones are expected to complement the Freeports.		

		<p>Following the local elections, the new leader of Redcar & Cleveland CBC, Cllr Alec Brown will be invited to join the Freeport Board and chair the Strategy & Accountability workstream.</p> <p>Media attention has been focussed on the region, with the Freeport being named in ongoing discussions regarding the ownership of Teesworks. The TVCA Mayor had called for the Government to conduct a full review. An independent panel has now been established by Government, which is currently carrying out this review.</p> <p>Councillor Brown requested that his appointment to Freeport Board is delayed until after the result of the investigation. It was pointed out that his appointment had already been ratified by TVCA Cabinet on 30th June however the next Freeport Board meeting is not scheduled in at the present time and will not take place before September.</p> <p>Board enquired what the transitional plans are since the Freeport Director stepped down. They were advised that the role has changed from what it once was now that the Freeport has been established. The role is currently being covered in-house as an interim arrangement and recruitment to new roles have been signed off to progress to recruitment for the permanent solution.</p> <p>RESOLVED THAT:- the Board noted the update.</p>		
STDC 09/2023	Risk Management Policy & Framework	<p>Board were advised that, on an annual basis, the Risk Management Policy, Framework and supporting documents are reviewed, to ensure that these are still in line with best practice and fit for the purpose of the organisation.</p> <p>A full review of the Group Risk Management Policy and Framework has been completed, using ISO standards, HM Orange Book guidance and industry best practice.</p> <p>Supporting documents have also been updated following the implementation of</p>		

		<p>automated risk platforms, which reduce the threat of human error and resource required when analysing and reporting risk information.</p> <p>This Policy and Framework have been agreed by both TVCA Audit and Governance Committee and STDC Audit and Governance Committee.</p> <p>NS commented that the Risk Management policy and framework was extremely thorough and comprehensive in comparison to any he had seen throughout his career.</p> <p>Board were advised that they will receive quarterly updates.</p> <p>RESOLVED THAT:- the Board approved the revised version of the Group Risk Management Policy and Framework.</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 Councillor Alec Brown and seconded by Jacob Young.</i></p>				
STDC 10/2023	Energy JV Update	<p>At this point of the meeting, Graham Robb left the room as his company provides PR for a company mentioned in the report.</p> <p>RESOLVED THAT:- Board approves the recommendations within the report on the basis that any questions asked by The Board were resolved by 28th July, 2023.</p>		
STDC 11/2023	Update on SeAH Energisation	<p>At this point in the meeting, Graham Robb re-joined the meeting.</p> <p>RESOLVED THAT:- The Board noted the update.</p>		
STDC 12/2023	Teesworks Update	<p>Board were provided a comprehensive update of progress and negotiations across the site which were also covered in agenda item 6.</p> <p>RESOLVED THAT:- The Board noted the verbal update.</p>		

	Date & Time of Next Meeting	21 st September 2023 @ 10am		

AGENDA ITEM 6

REPORT TO THE STDC BOARD

21ST SEPTEMBER 2023

REPORT OF GROUP CHIEF EXECUTIVE OFFICER

GROUP CEO UPDATE

SUMMARY

The purpose of this report is to provide the Board with an activity update since the last meeting.

RECOMMENDATIONS

It is recommended that the STDC Board note the content of this report.

DETAIL

DECONTAMINATION PROJECT AND COMAH STATUS

1. The Board will remember that a key obligation imposed on STDC in the original Business Case when the South Tees Site Company (STSC) transitioned to local control, was to deliver the Decontamination Project. The contract was procured prior to 2019 when HMG were in control of STSC, and which was responsible for decontaminating the 27km of coke oven gas main. This was the most significant aspect of work that had to be done to free the site from its Top Tier COMAH status and is the largest single contract delivered by STSC.
2. This contract is now complete and the COMAH substances arising from that contract have been safely disposed of.
3. There are still some COMAH substances from the demolition of the coke oven by-products plants that are in the process of being safely disposed of and this will take a few more weeks. The completion of this work will allow for a formal application to HSE to be submitted declassify the site and remove the COMAH status. We expect this application to be approved by the end of the year.

FREEPORT

4. Two new Freeports in Wales and, in addition, eight Investment Zones have been announced. The Investment Zones are expected to complement the Freeports.

5. Following local elections, Cllr Alec Brown is the new RCBC leader. He will be invited to join the Freeport Board and chair the Strategy & Accountability workstream.
6. Media attention has been focused on the region, with the Freeport being named in ongoing discussions regarding the ownership of Teesworks and the Joint Venture Partner. Following cross-party calls for an investigation - including from the Tees Valley Mayor - Government announced an official independent review would be launched into these arrangements, headed by Angie Ridgewell, Chief Executive of Lancashire County Council. The panel will review TVCA's oversight of STDC and Teesworks JV, including consideration of specific allegations made, and look at wider governance and financial management. The review is now under way and TVCA and STDC are working with the panel to provide all relevant information.

Tax Zones

7. On Tax Zone West (at South Bank, Dorman Point and Lackenby), all demolition works have been completed. Of the c. 500 acres of land making up this tax zone, almost 200 acres have been remediated and readied for development, of which SeAH has taken a lease on 90 acres. A further 60 acres of land are presently the subject of ongoing remediation works. On Tax Zone East, all demolition works are complete. Regarding remediation in this tax zone, works are ongoing on 18 acres adjacent to Steel House, on the site of the proposed Park and Ride facility.
8. Tenant interest is strong and continues to grow across the Teesworks site including the tax zone areas with multiple tenants at various different commercial stages of development. Not only is the investment in the Teesside Freeport attracting high interest with tenants but also existing tenants are investing in the region and the supply chain with the most recent notable example being SeaH Wind's commercial agreement with British Steel for steel for its manufacturing facility at South Bank.

UTILITIES

9. The work continues to develop the private wire network. Discussions with third parties are ongoing on the joint venture procurement of Teesworks' power needs. Teesworks Ltd is exploring and developing commercial options for the ongoing future development of the private wire network on site.
10. Work to connect and accommodate SeAH's power requirements continues with all four transformers delivered in location. Structures are now being erected for the substation buildings and cable installation preparation continues.
11. A power on date of 6th March 2024 has been mutually agreed between STDC and SeAH and is mutually beneficial to all parties. The date is achievable based on the current plan and will allow efficient sequential build reducing the installed costs.

12. SeAH has also formally requested an increase of capacity. This is achievable at no extra cost to STDC, with appropriate amendments to the delivery programme expected to accommodate this change request.

13. Strategy for the former Redcar site distribution has been refined to accommodate NZT remediation timescales, optimisation of existing assets and the ability to supply potential customers. Replacement of cabling to allow for clearance of NZT site has undergone a procurement process, with a contract to be awarded soon. Development planning is ongoing to understand further requirements for additional future developments.

PROGRAMME DEVELOPMENT

14. Dorman Point

- Approximately 80 acres of land have now been remediated, amounting to around 60% of the developable area of the Dorman Point site.
- Contractual negotiations on the leasing by Circular Fuels of 24 acres of land at Dorman Point are well advanced, which, when concluded, will trigger a further phase of remediation of some 20 acres, along with the design and construction of the extension to the East-West road link through the site.

15. South Bank

- Construction of South Bank Quay Phase 1 remains on schedule to complete in December. Work continues on the design of its onshore utilities infrastructure. Utilities construction work will commence later in the year, to be complete ahead of the Quay becoming operational during Q2 2024.
- Design of the Workshop and Offices building at the Quay is ongoing, with erection of steelwork scheduled to commence in January 2024. The project has a planned completion date of late June 2024.
- Construction of the South Bank Link Road is progressing and is scheduled to complete in early November.
- Regarding the South Bank Watercourse, Phase 1 (adjacent to the SeAH site), comprising 650 linear metres, is complete. Local firm Applebridge has been appointed as contractor for Phase 2 (a further 500 linear metres) and commenced construction mid-August. Phase 3 (the final phase) will go to tender in October. Overall project completion is scheduled for April 2024.

16. Demolition Works Programme

- The demolition programme is 99% complete. The remaining demolition works, the TMO offices and neighbouring facilities, are due to commence late Q4 2023.

17. Net Zero Teesside

- Ground remediation works to prepare the 100-acre NZT plot have been ongoing for four months. The project is operating to an accelerated programme, which targets completion by the end of April 2024, with the related cost premium for acceleration being a BP liability.

18. Teesworks Park and Ride Facility

- Advance earthworks to prepare the site for construction of the Park and Ride project are well advanced.
- Phases 1 and 2 of the project comprise the new signalised junction on the A1085 Trunk Road and 700m of internal access road. Design works are complete and the tender for construction of these phases is to be issued over the coming weeks. The design of Phase 3, comprising the car park and supporting operational facilities, will conclude in early October, and will be tendered for construction shortly thereafter.

19. Key Risks to Delivery

- As noted, STDC is working on several significant projects all of which carry delivery risks. These are actively in mitigation through the comprehensive project management and related project controls processes being implemented by our appointed consultants, with robust project plans in place, regular project progress reviews being held, and intervention actions being taken, where necessary, to address potential impacts to cost and schedule, and ensure delivery to programme.

EQUALITY & DIVERSITY

20. No specific impacts on groups of people with protected characteristics have been identified.

Name of Contact Officer: Julie Gilhespie
Post Title: Group Chief Executive Officer
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GOVERNANCE UPDATE – review of the South Tees Development Corporation Constitution

SUMMARY

The ACTING Monitoring Officer has carried out a review of the South Tees Development Corporation Constitution.

The Review has identified a number of proposed amendments which are detailed in this Report.

PROPOSED DECISIONS:

The Board may:

- (1) approve of the proposed amendments to the STDC Constitution and agree the revised Constitution be submitted to TVCA Cabinet in December for final agreement and subsequent publication; or
- (2) not approve the proposed amendments to the STDC Constitution.

RECOMMENDATION and reason for that recommendation:

It is recommended that STDC Board approves the changes to the STDC Constitution and agrees that the revised Constitution be submitted to TVCA Cabinet in September for final agreement and subsequent publication, to reflect STDC resource changes and administrative updates as detailed in this Report. This is the recommended action as not approving the changes will result in the governing document of STDC becoming less appropriate over time which will create risk to STDC.

DETAIL

South Tees Development Corporation Constitution

1. The STDC Constitution initially took effect on 1st August 2017 and has been amended 8 times, most recently on 24th September 2021. These changes are identified in the Version Control section of the Constitution.
2. The Constitution is a living document and is amended as the business of the Corporation progresses, and better, more transparent or more efficient ways of working are identified.

3. Authority is delegated to the Monitoring Officer of the Combined Authority, in consultation with the Group Chief Executive of the Combined Authority to make amendments to the Constitution in order to reflect organisational or legislative changes, or to make any minor textual or grammatical corrections.
4. As detailed in the Summary of this report, the Acting Monitoring Officer has reviewed the STDC Constitution as set out in Appendix 1 and shown as tracked changes and summarised below.
5. **Summary of Proposed Changes to the South Tees Development Corporation Constitution (as detailed in Appendix 1)**

Section/Paragraph	Summary
Introduction, 14	Removal of reference to Middlesbrough Council, as this is no longer how the Board operates. Cross references to this have been removed in previous amendments and this appears to have been missed.
Introduction, 19	Change of name of Audit & Governance Committee
Introduction, 30	Administrative amend
Introduction, 32	Clarity – reference to Cabinet
Introduction, 34	Change of name of Audit & Governance Committee and administrative amends
Introduction, 42	Change of name of Audit & Governance Committee
Introduction, 45	Change of name of Audit & Governance Committee
Appendix 1 – Rules of Procedure 1.2 and 1.3, 2 (g), (h) and (k), 3 (e), 5.1, 6.1,6.4, 14.1 (a), 15.1 (c)	Change of name of Audit & Governance Committee
Section/Paragraph	Summary
Appendix 1 - Rules of Procedure, 19.1	Clarification/administrative amend

Appendix 1 - Rules of Procedure, 19.2	Clarification that Referral Decisions cannot be taken by Urgent Decision
Appendix 1 - Rules of Procedure, 20.1	Clarification/administrative amend
Appendix 1 - Rules of Procedure, 22.1	Incorrect reference to Cabinet, amended
Appendix II – Code of Conduct, 3(2)	Administrative legislation amend
Appendix II – Code of Conduct, 7	Change of name of Audit & Governance Committee
Appendix II – Code of Conduct, 8	Change of STDC employee title to reflect new structure
Part 2 – Interests	General cross references amends throughout
Part 2 – Interests, 12	Clarification of definition of Disclosable Pecuniary Interest.
Part 2 – Interests, 14 – 22	Introduction for clarity of Members’ obligations in respect of Gifts and Hospitality
Appendix IV – Financial Regulations, 13.3	Reference included to Group Insurance & Risk Team
Appendix V – Scheme of Delegation to Chief Officers, 1.2, CE05, 6, MO3	Change of Role to reflect new structure
Appendix V – Scheme of Delegation to Chief Officers, 1.3, 2.8, CE03, MO4	Change of name of Audit & Governance Committee
Appendix V – Scheme of Delegation to Chief Officers - MO7	Authentication of documents and use of the Corporation Seal in line with the wider Group.

FINANCIAL IMPLICATIONS

5. 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

6. 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. The Constitution provides that any amendments to it, over and above administrative amendments, must be approved by the Board.

RISK ASSESSMENT

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

CONSULTATION & COMMUNICATION

8. Members of STDC Board and Committees have been appointed following an open and transparent process in accordance with best practice in public appointments.

EQUALITY & DIVERSITY

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

Name of Contact Officer: Emma Simson
Post Title: Acting Monitoring Officer
Email Address: emma.simson@teesvalley-ca.gov.uk

SOUTH TEES DEVELOPMENT CURFEWSWORKS



TEES VALLEY
COMBINED
AUTHORITY

TEES VALLEY MAYOR

Constitution

Constitution

Version 9.08.0

July 2021 September 2023





Contents

Page:

Introduction.....	3
Objectives.....	3
Boundary	4
The Board	4
The Statutory Officers	5
Powers of the Corporation.....	6
Decision Making.....	7
Reporting.....	8
Committees	9
Group Audit and Risk Committee.....	9
Delegations.....	9
Amending the Constitution	10
Appendix A – Plan of the South Tees Development Corporation.....	11

Document Control	3
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Appendices

Appendix I – Rules of Procedure	13
Appendix II – Code of Conduct	24
Appendix III – Financial Regulation	53
Appendix IV - Scheme of Delegation to Chief Officers	62

Document Control

Document Version Control

Document Title	Date approved by Board	Replaces Version	In force from
Constitution – Version 8	24.09.2021	Version 7	24.09.2021
Constitution – version 9	[21.09.23]	Annual Review and Process, Policy and Legislative changes	[to include]

Previous Updates

Document Title	Date Approved by Board	Amendments made	In force from
Constitution - Version 1	24.08.2017	None – original constitution	01.08.2017
Constitution - version 2	30.05.2018	Minor Amendments	30.05.2018
Constitution - version 3	25.07.2018	Process, Policy and Legislative changes	25.07.2018
Constitution - version 4.	24.07.2019	Process, Policy and Legislative changes	24.07.2019
Constitution - version 5	29.01.2020	Process, Policy and Legislative changes	29.01.2020
Constitution - version 6	03.06.2020	Process, Policy and Legislative changes	03.06.2020
Constitution - version 7	30.09.2020	Process, Policy and Legislative changes	30.09.2020
Constitution - Version 8	24.09.2021	Version 7	24.09.2021

Introduction

1. The South Tees Development Corporation (“the Corporation”) is a Mayoral Development Corporation responsible for approximately 4,500 acres (1,820 hectares) of land to the south of the River Tees, in the Borough of Redcar and Cleveland.
2. The Corporation has been established pursuant to the powers devolved to the Tees Valley Mayor under the Tees Valley Combined Authority (Functions) Order 2017. This Constitution reflects this statutory framework and constitutes a direction to the Corporation pursuant to s220 Localism Act 2011.
3. This Constitution initially took effect on August 1st 2017 – when new statutory arrangements were enacted - and has been amended seven times subsequently, most recently on 24th September 2021. Prior to this the functions of the Corporation were led by a Shadow Board established by the Combined Authority and Government Ministers in May 2016.

Objectives

4. The objectives of the Corporation are:
 - a. To further the economic development and regeneration of the South Tees area, so that it becomes a major contributor to the Tees Valley economy and the delivery of the Tees Valley’s Strategic Economic Plan;
 - b. To attract private sector investment and secure new, additional, good quality jobs, accessible to the people of the Tees Valley;
 - c. To transform and improve the working environment of the Corporation area, providing good quality, safe conditions for the workforce and wider community;
 - d. To contribute to the delivery of the UK Industrial Strategy, by supporting the growth of internationally competitive industries with access to global markets, taking a comprehensive approach to redevelopment at a scale that enables the realisation of an international-level investment opportunity.
- ~~5.~~ In support of these core objectives, the Corporation will work collaboratively with the Tees Valley Combined Authority, Redcar and Cleveland Council, the SSI Task Force and other partners to contribute positively to local and Tees Valley-wide initiatives on skills, job opportunities for local people (including those directly and indirectly ~~6-5.~~ affected by the closure of the steelworks), inward investment, transport, sustainable development, the natural environment, culture and tourism.

~~7.6.~~ Arrangements for mutual co-operation and understanding will be set out between the Corporation, Combined Authority and Redcar and Cleveland Council; addressing the issues set out in paragraph 4 and any other relevant matters.

~~8.7.~~ To support the achievement of its core objectives, the Corporation will develop, consult upon and maintain a Master Plan, setting out how its objectives will be secured by the development of land and infrastructure within its area of responsibility.

Boundary

~~9.8.~~ The precise area covered by the Corporation (the “Site”) is shown at Appendix A.

The Board

~~10.9.~~ The Chair, Vice-Chair and Board of the Corporation shall be appointed by the Combined Authority, following a proposal put to it by the Mayor.

~~11.10.~~ The Board must include the Tees Valley Mayor and the Leader of Redcar and Cleveland Council (as the authority in which the site is located). The Mayor may propose themselves as Chair of the Corporation.

~~11.~~ Other Board members, including Associate Members (who shall be appointed to the Board with the right to participate fully in Board discussions and to receive all papers but not vote) s

~~12.~~ shall be appointed following an open and transparent process in accordance with best practice in public appointments. In making appointments, the Mayor and Combined Authority must have regard to the desirability of appointing a person who has experience of, and has shown some capacity in, a matter relevant to the carrying out of the Corporation’s functions. Appointments shall be for a fixed period of no more than 4 years, to align with the Mayor’s period of office. For the avoidance of doubt the term ‘Member’ or ‘Board Member’ in this Constitution shall include Associate Members.

~~13.12.~~ There shall be a minimum of 6 and a maximum of 10 Board Members in total, in addition to those detailed in paragraph 10.

~~14.13.~~ The deputy leader of ~~both Middlesbrough Council and~~ Redcar & Cleveland Borough Council ~~are shall be~~ appointed as a substitute Members to the Board and may attend and vote in the absence of their leader.

~~15.14.~~ A Board member may resign by serving notice on the Mayor.

~~16.15.~~ Any Board member may be removed by the Mayor, with the agreement of the Combined Authority, where there is due cause to do so in accordance with Schedule 21 Localism Act 2011.

~~17-16.~~ The Chair of the Board may resign that appointment by serving notice on the Mayor, without resigning membership of the Board. Where the Mayor is the Chair of the Board, they may resign by informing the Combined Authority.

~~18-17.~~ All decisions of the Corporation, unless otherwise delegated, shall be taken by the Board in accordance with the arrangements set out in this Constitution. The Board shall seek consensus on all matters, but where consensus cannot be achieved decisions shall be made by majority vote, with the Chair exercising a casting vote.

~~19-18.~~ Subject to any direction given to it by the Combined Authority, the Corporation may decide on its own procedure, and the procedure of any of its Boards, Group Audit & Risk Governance Committee or workstreams established by the Board.

~~20-19.~~ The quorum shall be one-third of the members in office, rounded up in the event of an uneven number, to include at least two of the Board members who are also Cabinet Members of the Combined Authority.

~~21-20.~~ The Group Chief Executive of the Combined Authority shall be appointed as an Associate Member, ~~with the right to participate fully in Board discussions and to receive all papers but not vote.~~

~~22-21.~~ The Corporation shall hold an Annual Meeting to consider any amendments to its procedures, to recommend any changes to this Constitution to the Combined Authority, and to make appointments to Committee roles.

~~23-22.~~ The Combined Authority may set an allowance for Board members, following advice received from its Independent Remuneration Panel.

The Statutory Officers

~~24-23.~~ The Corporation shall appoint a Group Chief Executive with overall responsibility for the Corporation's operations and staff, and to act as lead adviser to the Board.

~~25-24.~~ The Group Director of Finance & Resources of the Combined Authority (the "Director of Finance") shall fulfil the role of Director of Finance & Resources of the Corporation. The powers of the Director of Finance & Resources are set out in this Constitution and Statute. The Group Director of Finance & Resources shall oversee the interface between the financial responsibilities of the Combined Authority and the Corporation, to ensure the financial integrity of both organisations.

~~26-25.~~ Further to s7 of the Tees Valley Combined Authority (Functions) Order 2017, the designation and reports of the Monitoring Officer to the Combined Authority (the "Monitoring

Officer”) shall apply as if the Corporation were a Committee to the Combined Authority.

Powers of the Corporation

27-26. Subject to Legislation, this Constitution and any other directions made by the Combined Authority, the Corporation may do anything it considers appropriate for the purposes of securing the regeneration of its area, or for purposes incidental to that objective.

28-27. The Corporation has a number of specific powers from the Localism Act, as set out below in this section. All of the powers are subject to the overriding objectives set out in paragraph 3, and the provisions of this Constitution, and are summarised as:

- a. Powers in relation to infrastructure
 - i. This includes the power to provide, or facilitate the provision of infrastructure.

- b. Powers in relation to land
 - i. The power to regenerate or develop land.
 - ii. To bring about the more effective use of land.
 - iii. To provide buildings or other land.
 - iv. To acquire, hold, improve, manage, reclaim, repair or dispose of land, buildings, plant, machinery, equipment or other property.
 - v. To carry out building or other operations, including demolishing buildings.

- c. Powers to acquire land
 - i. To acquire land in its area or elsewhere, in accordance with the provisions of the Localism Act 2011.

- d. Powers in relation to acquired land
 - i. To override easements
 - ii. To extinguish public rights of way (with the consent of the Secretary of State)

- e. Powers in relation to businesses and companies
 - i. To carry on any business.
 - ii. To form or acquire interests in any business or company.

- f. Financial assistance powers
 - i. To provide financial assistance to any person.
 - ii. This may be given in any form, including grants, loans, guarantees, investments, or the incurring of expenditure for the benefit of the person assisted.

- g. Powers in relation to discretionary relief from non-domestic rates
- i. To determine the amount of discretionary rate relief from non-domestic rates (i.e. business rates).

~~29-28.~~ Redcar & Cleveland Borough Council shall continue to be the billing and collecting authority for non-domestic rates for existing operations, except in respect of areas of the Site which are designated as Enterprise Zones where the revenue is received by the Combined Authority. Going forwards designation of the whole of the Site as a Special Economic Area, with business rates at a level of 100%, enables arrangements to be put in place regarding the shares for the Council and TVCA.

Decision Making

~~30-29.~~ The Board shall be responsible for identifying any decision or issue which may result in a significant risk of:

- a. ~~a~~ financial liability; or
- b. ~~a~~ statutory liability; or
- c. ~~a~~ an environmental or criminal liability

~~31-30.~~ to the Combined Authority or to any or all of its Constituent Authorities (“a Referral Decision”) and shall refer such decisions or issues to the Combined Authority for agreement before such liabilities arise, and prior to the implementation of any such decision.

~~32-31.~~ The Statutory Officers shall advise the Board when a Referral Decision may be required, and their advice shall be communicated to the Board before any such decisions are taken. In the event that the Statutory Officers conclude that a Board decision or other event gives rise to a Referral Decision they shall, in the absence of such a referral by the Board, and in consultation with the Group Chief Executive of the Combined Authority, refer that decision to the Combined Authority Cabinet for consideration. In these circumstances, the decision will not be implemented until ratified by the Combined Authority. ~~Where there is a requirement for an urgent decision, t~~The Combined Authority will not unreasonably delay ratification.

~~33-32.~~ The Statutory Officers shall ensure that where decisions are taken by any of STDC Group entities they comply with the decision-making requirements of STDC Development Corporation Board. Where appropriate, decisions considered by Group entities will have reserved matters contained within the relevant statutory documents to ensure that all Group entities comply with this decision-making section.

~~34-33.~~ Where the ~~Group Audit and Risk Committee,~~Development Corporation Audit & Governance Committee or the South Tees Site Company Board identifies a significant risk under paragraph ~~3028~~, it shall recommend to the Board that in their view this gives rise to a Referral Decision.

~~35-34.~~ _____ The Combined Authority may give the Corporation general or specific directions or guidance in relation to the exercise of any of the Corporations functions. The Corporation must comply with any directions given by the Combined Authority that are in force (s220 Localism Act 2011) and must have regard to any guidance issued (s219 Localism Act 2011).

~~36-35.~~ _____ A decision by the Corporation to exercise powers in relation to discretionary relief from non- domestic rates which has a significant adverse financial impact upon Redcar & Cleveland Borough Council must also be approved by the Leader of Redcar & Cleveland Borough Council. The Leader of the Council may, or may be required by their Council to, refer such decisions for agreement by the Council as a whole.

~~37-36.~~ _____ Officers working for the Corporation shall maintain a register of significant risks which may lead to or constitute a Referral Decision in accordance with clause 28 and notify the Group Director of Finance & Resources at the earliest opportunity of changes to the risk profile of the Corporation which could have a material effect on the Corporation's or Combined Authority's liabilities.

~~38-37.~~ _____ The Combined Authority has a Strategic Economic Plan ~~and a Local Industrial Strategy~~ which are supported by Redcar and Cleveland Borough Council's Regeneration Masterplan (2010) and Growth Strategy (2015). The Corporation works within the context of these strategies to grow and diversify the local economy. In 2017, the Corporation launched its comprehensive Master Plan, presenting the vision, strategy and ideas for the transformational regeneration of the South Tees area into a national asset for new industry and enterprise, to be realised through the creation of a world class industrial business park, making a substantial contribution to the economic growth and prosperity of the Tees Valley.

~~39-38.~~ _____ The Corporation shall ensure that any new facilities it facilitates do not unduly jeopardise the viability of existing retail business, health, education or training facilities across the wider Tees Valley.

Reporting

~~40-39.~~ _____ As soon as reasonably practicable after the end of each financial year, the Corporation must prepare an annual report on how it has exercised its functions during the year, including a copy of its audited statement of accounts for that year, and send that report to the Combined Authority's Cabinet, Overview and Scrutiny Committee and Audit and Governance Committee. The "financial year" shall mean a period of 12 months ending with 31st March.

~~41-40.~~ _____ The Corporation's officers shall respond promptly to requests from the Group Director of Finance & Resources, and follow any advice and actions required in a timely manner. The Corporation shall make available any financial information reasonably requested from the

Combined Authority, or from Finance Directors of the Combined Authority's constituent councils.

Committees

~~42.41.~~ In addition to the Group Audit & ~~Governance~~Risk committee and the STSC Board the Corporation may establish workstreams of the Board.

~~43.42.~~ A workstream may, with agreement of the Board, include persons who are not members of the Corporation. The work of these workstreams, or any recommendations made by them, will be reported back to the Board as part of the Group Chief Executive's standing update or by additional report as appropriate

~~44.43.~~ The Board must approve the Terms of Reference of any such workstream.

Group Audit and ~~Risk~~Governance Committee

~~45.44.~~ The Corporation shall establish a ~~Group Audit & Risk~~Governance Committee. The Mayor, with agreement of the Combined Authority, shall appoint an independent Chair of the Audit and Risk Committee who is not also a member of the Corporation's Board. The Combined Authority's Audit and Governance Committee shall appoint one of its members to be a member of the Corporation's Group Audit and Risk Committee. The other members of the Group Audit and Risk Committee shall be appointed by the Board.

STSC Board

~~46.45.~~ The primary purpose of the STSC Board is to assist the STDC Group Board to deliver the key objectives of the STDC as defined within Clause 4 of this Constitution. The Mayor, with agreement of the Combined Authority, shall appoint a non-executive Chair of the Board. The other members of the Board shall include the non-executive directors, the Group Chief Executive and such other executive directors whose appointment is made from time to time in accordance with the Articles of Association.

Delegations

~~47.46.~~ The Corporation may delegate any of its functions to any of its members, Committees or staff.

~~48.47.~~ A Committee of the Corporation may delegate any function conferred on it to any member of the Corporation, any sub-committee of the Committee, or any of the Corporation's staff.

~~49.48.~~ The Corporation shall establish:

- a. A Scheme of Delegation to include appropriate financial limits;
- b. Procurement Policy which accords with the Public Contract Regulations 2015;
- c. Financial Procedure Rules including provision for setting an annual budget;
- d. A Code of Conduct together with a register of interests;
- e. Provisions relating to the resolution of conflict of interests;
- f. Access to information procedure rules.

Amending the Constitution

~~50.49.~~ This Constitution is a living document and shall be amended as the Corporation progresses. Authority is delegated to the Monitoring Officer of the Combined Authority, in consultation with the Group Chief Executive of the Combined Authority, to make amendments to the Constitution in order to reflect organisational or legislative changes, or to make any minor textual or grammatical corrections. Any other changes shall be agreed by the Combined Authority's Cabinet.

Appendix A—Plan of the area of responsibility of the South Tees Development Corporation

A larger scale plan of the boundary is available at www.teesvalley-ca.gov.uk/stdc



Appendix I

[South Tees Development Corporation](#)

RULES OF PROCEDURE

1. Interpretation

- 1.1 The South Tees Development Corporation is referred to as “the Development Corporation” in these Rules.
- 1.2 These Rules apply to meetings of the Development Corporation Board (“Board”), and where appropriate to the meetings of the Group Audit & RiskGovernance Committee and workstreams established by the Board.
- 1.3 References in these Rules to the “Chair” mean the Member for the time being presiding at the meeting of the Board, and at a meeting of the Group Audit & RiskGovernance Committee or other workstream established by the Board.
- 1.4 These Rules shall be read in conjunction with other parts of the ~~Constitution~~.
- 1.5 These Rules are subject to any statute or other enactment whether passed before or after these Rules came into effect.

2. Annual Meeting of the Development Corporation Board

- 2.1 The Annual Meeting will:
 - (a) confirm the Mayor as the person who is to preside at meetings;
 - (b) approve the Members of the Development Corporation; agree the portfolio responsibilities of each of the members and any functions delegated to them;
 - (c) elect the Vice Chair(s);
 - (d) approve the minutes of the last meeting;
 - (e) receive any declarations of interest from Members;
 - (f) receive any announcements from the Mayor and/or the Group Chief Executive;
 - (g) consider any recommendations from the Group Audit and RiskGovernance Committee;
 - (h) appoint the Group Audit and RiskGovernance Committee;
 - (i) appoint such other workstreams as the Development Corporation considers appropriate;
 - (j) appoint the membership of the workstreams referred to in the preceding sub-paragraphs after:
 - (i) deciding the number of members to be appointed to each workstream and their term

of office;

- (k) appoint the Chair and Vice-Chair of the Audit and Risk Governance Committee, after considering any proposal put to them by the Committee.
- (l) appoint the Chair and Vice-Chair of the workstreams referred to in the preceding sub-paragraphs;
- (m) appoint to outside bodies;
- (n) agree the officer scheme of delegation;
- (o) consider amendments to the Development Corporation's procedure rules, as appropriate;
- (p) approve the Development Corporation's allowances scheme;
- (q) decide the date and time for the ordinary meetings of the Development Corporation Board;
- (r) consider any other business set out in the agenda for the meeting.

3. Ordinary Meetings of the Development Corporation Board

3.1 At an ordinary meeting of the Development Corporation, the Board will:

- (a) approve the minutes of the last meeting;
- (b) receive any declarations of interest from Members;
- (c) receive any announcements from the Mayor and/or the Group Chief Executive including those relating to the work or recommendations of any workstreams established by the Board;
- (d) deal with any business from the last ordinary meeting;
- (e) receive reports from the Group Audit & Risk Governance Committee or where appropriate any workstream established by the Board;
- (f) consider any other business specified in the agenda for the meeting. Extraordinary Meetings of the Development Corporation Board

4. Extraordinary Meetings of the Development Corporation Board

4.1 At an extraordinary meeting of the Development Corporation, the Board will consider the business specified in the agenda for the meeting.

5. Admission of the Public

5.1 All meetings of the Board and the Group Audit & Risk Governance Committee shall be open to the public, except to the extent that they are excluded whether during the

whole or part of the proceedings either:

- (a) In accordance with Section 100A(2) of the 1972 Act; or
- (b) By resolution passed to exclude the public on the grounds that it is likely, in view of the nature of the business, that if the public were present there would be disclosure to them of exempt information as defined in Section 101 of the 1972 Act. Any such resolution shall identify the business or part of the business to which it applies and state the description, in terms of Schedule 12A to the 1972 Act of the exempt information giving rise to the exclusion of the public.

6. Notice of Meetings

- 6.1 At least five clear days before a meeting of the Board and the Group Audit & [RiskGovernance](#) Committee, notice of time and place of the intended meeting shall be published at the offices of the Corporation.
- 6.2 An invitation to attend the meeting, specifying an agenda for the meeting shall be left at, or sent by, electronic mail or post to all Development Corporation Members at their usual place of residence, or to such other place as may be requested by a Member.
- 6.3 Lack of an invitation to a Member shall not affect the validity of a meeting.
- 6.4 Agendas and papers for Board meetings and meetings of the Group Audit & [RiskGovernance](#) Committee will be published on the Corporation website five clear days prior to the meeting date unless ruled commercially or operationally sensitive under Paragraphs 1 and 2 of Schedule 12A of the Local Government Act 1972, with written agreement of the relevant Chair

7. Chair of Meeting

- 7.1 At a meeting, the Chair shall preside. If the Chair is absent, the Vice-Chair shall preside. If both the Chair and the Vice-Chair are absent, the Members present shall choose which Member is to preside at the meeting.
- 7.2 Any power or duty of the Chair in relation to the conduct of the meeting, may be exercised by the person presiding at the meeting.
- 7.3 The ruling of the Chair on the interpretation of these Rules in relation to all questions of order and matters arising in debate, shall be final.

8. Items of Business

- 8.1 No item of business may be considered at any meeting except:
 - the business set out in the agenda;
 - business required by law to be transacted at the annual meeting; or
 - business brought before the meeting by reason of special circumstances, which shall be specified in the minutes, and where the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency.

9. Order of Business

9.1 Items of business shall be dealt with in the order specified in the agenda for the meeting, except that such order may be varied at the discretion of the Chair, or on a request agreed to by the meeting.

10. Order of Debate

10.1 The Chair will introduce each item and may invite a Member or Officer to present it.

10.2 Each Member, including Associate Members of the Development Corporation, shall be given an opportunity to speak on the matter and on any recommendations contained in the report.

10.3 The order in which anyone will be invited to speak will be decided by the Chair.

10.4 Members may speak more than once on the same item, with the agreement of the Chair.

10.5 Any Member, when speaking, may move that:

- (a) an amendment be made to the recommendation(s); or
- (b) that an item be withdrawn.

10.6 Any such motion, if seconded, shall either be agreed by consensus amongst those Members present, or be voted upon.

10.7 Subject to the outcome of any such motion, once each Member who wishes to speak has done so, the Chair shall move the item, which if seconded, shall again either be agreed by consensus or shall be voted upon.

11. Duration

11.1 At any meeting the Chair shall have discretion to adjourn the meeting for a short period of time unless the majority of Members present, by vote, determine it shall stand adjourned to another day, the date and time of which shall be determined by the Chair.

12. Minutes

12.1 The Chair will sign the minutes of the proceedings at the next suitable meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record. Discussion of the minutes should be restricted to their accuracy.

13. Code of Conduct and Protocols

13.1 Members and Associate Members shall comply with the provisions of the Development Corporation's Code of Conduct for Members and of any other Codes or Protocols, approved by the Development Corporation Board, including those relating to registering and disclosing pecuniary and other interests.

14. Access to Information

14.1 In accordance with the Local Government Act 1972 as amended:

- (a) All meetings of the Board and Group Audit & **RiskGovernance** Committee shall be open to the public unless it is likely in view of the nature of the business to be transacted that either confidential information (as defined in section 100A(3) of the 1972 Act) or information falling within one of the categories of exempt information in Schedule 12A (as amended) of the 1972 Act would be disclosed.
- (b) Copies of the agenda and reports open to the public will be available for public inspection at least five clear days before a meeting or where the meeting is convened at shorter notice from the time the meeting is convened. If an item is added to the agenda later, the revised agenda and any additional report will be open to inspection from the time it was added to the agenda. Copies of any agenda or reports need not, however, be open to inspection by the public until copies are available to members of the Corporation. In addition, an item of business may be considered urgently, whereby reason of special circumstances, which shall be specified in the minutes, the Chair is of the opinion that the item should be considered at the meeting, as a matter of urgency.
- (c) The Corporation will make available for public inspection for six years after a meeting the minutes of the meeting (but excluding any part of the minutes when the meeting was not open to the public or which disclose confidential or exempt information), a summary of any proceedings not open to the public where the minutes open to inspection would not otherwise provide a reasonably fair and coherent record, and the agenda for the meeting and reports relating to items when the meeting was open to the public.
- (d) The author of any report will set out in it a list of those documents (called background papers) relating to the report which in his/her opinion disclose any facts or matters on which the report is based and which have been relied on to a material extent in preparing the report (except for documents which are published works or which disclose confidential or exempt information). Such background papers will remain available for public inspection for four years from the date of the meeting.
- (e) Where information is withheld under these provisions the fact must be made known to the member of the public concerned who shall be advised of the categories of information being withheld and the way in which the withholding of the information can be challenged.

15. Exclusion of Access by the Public to Meetings

15.1 (a) Confidential information – requirement to exclude public

The Public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

Confidential information means information given to the Corporation, its Committees and Sub-Committees by a Government department on terms that forbid its public disclosure or information that cannot be publicly disclosed by reason of a Court Order or any enactment.

(b) Exempt information – discretion to exclude public

The public may be excluded from meetings wherever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed.

Exempt information means information falling within the following categories (subject to any qualifications):

- (i) information relating to any individual;
- (ii) information which is likely to reveal the identity of any individual;
- (iii) information relating to the financial or business affairs of any particular person (including the authority holding that information);
- (iv) information relating to any consultations or negotiations, or contemplated consultations or negotiations in connection with any labour relations matter arising between the Combined Authority, its Committees and Sub-Committees or a Minister of the Crown and employees of, or office holders under, the Combined Authority, its Committees and Sub-Committees;
- (v) information in respect of which a claim to legal professional privilege could be maintained in legal proceedings;
- (vi) information which reveals that the Combined Authority, its Committees and Sub-Committees proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment;
- (vii) information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

(c) Exclusion of Access by the public to reports

If the Proper Officer considers it appropriate, the Corporation and the Group Audit & Risk Governance Committee may exclude access by the public to reports which in the Proper Officer's opinion relate to items during which the meeting is likely not to be open to the public. Such reports will be marked "Not for Publication" together with the category of information likely to be disclosed.

16. Reporting of Proceedings

16.1 Without prejudice to the Chair's powers in procedure rule 5.3, and subject to procedure

rules 17.1 and 17.2, while any meeting of the Corporation is open to the public any person attending the meeting may report on the meeting, and publish or disseminate any recording at the time of the meeting or after the meeting.

- 16.2 The Chair may decide not to permit oral reporting or oral commentary of the meeting as it takes place, if the person reporting or providing the commentary is present at the meeting.
- 16.3 Where the public are excluded from a meeting in order to prevent the likely disclosure of confidential or exempt information, the chair may also prevent any person from reporting on that meeting employing methods which can be used without that person's presence at the meeting, and which enable persons not at the meeting to see or hear the proceedings at the meeting, as it takes place or later.

17. General Disturbance

If a general disturbance makes orderly business impossible, the Chair may:

- adjourn the meeting for as long as the Chair considers necessary.
- call for all or any part of the meeting room open to the public, to be cleared, if the disturbance is in that part.

- 17.1 If a member of the public interrupt's proceedings, the Chair shall warn the person concerned. If they continue to interrupt, the Chair may order them to be removed from the meeting room.
- 17.2 If the Chair considers at any meeting that a Member is behaving improperly or offensively, or is deliberately obstructing business, the Chair may move that the Member should not be heard further. If seconded, the motion shall be voted upon without discussion.
- 17.3 If the Member continues to behave in the same way, the Chair may:
- (a) adjourn the meeting for a specified period; and/or
 - (b) move that the Member leaves the meeting (if seconded such a motion will be voted on without discussion).

18. The Forward Plan

- 18.1 Forward Plans for the Corporation will be prepared to cover a period of four months. The Plans will be updated on a monthly basis.

Contents of the Plan

- 18.2 The Forward Plan will contain details of key decisions which relate to the discharge of Corporation functions and which are proposed to be taken during the period covered by the Forward Plan. The details relating to these key decisions, insofar as they are available or might reasonably be obtained, will be as follows:

- the matter in respect of which a key decision is to be taken;
- the decision maker's name and title, if any;
- the date on which, or the period within which the decision is to be made;
- a list of documents submitted to the decision maker for consideration in relation to the matter, in respect of which the decision is to be taken;
- the address from which, subject to any prohibition or restriction on their disclosure, copies of or extracts from any document listed, is available;
- that other documents relevant to the matter may be submitted to the decision maker; and the procedure for requesting details of those documents (if any) as they become available.

~~18.3~~ For the purposes of the Forward Plan, a “key decision” means a decision of a decision maker, which ~~in the view of the Combined Authority’s Overview and Scrutiny Committee,~~ is likely to:

- result in the ~~Combined Authority~~ Corporation or the Mayor incurring significant expenditure, or making significant savings, having regard to the ~~Combined Authority~~ Corporation’s budget for the service or function to which the decision relates; or to be
- ~~significant in terms of its effects on persons living or working in an area comprising two or more electoral wards or divisions in the Combined Authority’s area.~~

Publication of the Forward Plan

~~18.4~~18.3 The Forward Plan will be published at least 28 days before the start of the period covered in the Plan.

~~18.5~~18.4 It will be published on the Combined Authority’s website and made available for inspection by the public at the Combined Authority’s offices. Exempt information need not be included in the Forward Plan and confidential information cannot be included.

19. Urgent Decisions

19.1 Where a decision needs to be taken urgently and it is not practical to convene a quorate meeting of the Board or relevant committee or subcommittee of the Development Corporation (where applicable), the Group Chief Executive, in consultation with the Chair (or in their absence the Vice Chair) of the Board or relevant committee or subcommittee, the Group Director of Finance and Resources and the Monitoring Officer, has the authority to take an urgent decision.

19.2 The Monitoring Officer will maintain a record of all ‘urgent’ decisions and submit a report on these decisions at least annually to the Cabinet. The report will include a summary of the subject matter of the decisions taken. For the avoidance of doubt, a Referral Decision cannot be made as a Urgent Decision.

20. Confirmatory or minor decisions in writing

20.1 Where a decision of a minor or confirmatory nature (for example to confirm of the decisions of an unexpectedly inquorate meeting) the chair of the Board or relevant

committee or subcommittee of the Development Corporation (as applicable) may request that confirmation of such a decision be made in writing. A written confirmation of the decision by each member of Board, the committee or subcommittee (as applicable) shall be treated as a decision of that body when it is signed by the Chair of the body, who shall have authority to confirm that decision.

- 20.2 The Monitoring Officer will maintain a record of all written records of decisions and report them to the next meeting of the relevant body and submit a report on these decisions at least annually to the Board. The report will include a summary of the subject matter of the decisions taken by this method.

21. Officers' Interests

- 21.1 If it comes to an Officer's knowledge that a contract in which the Officer has a pecuniary interest, whether direct or indirect, has been, or is proposed to be entered into by the Development Corporation, the Officer shall as soon as reasonably practicable give notice in writing to the Monitoring Officer of the fact that he/she has such an interest.
- 21.2 An Officer shall be treated as having an indirect pecuniary interest in a contract if he/she would have been so treated by virtue of Section 95 of the Local Government Act 1972 had he/she been a member of the Development Corporation, i.e. the other party to the contract is a company or other person or body (other than a public body) of which the Officer or his/her spouse/partner is a member or employee or partner.
- 21.3 The Monitoring Officer will keep a record of any such notices/interests and the record shall be open for inspection by any Member of the Development Corporation at its offices.

22. Sealing of Documents

- 22.1 A decision of the Board or the Mayor (or of a joint committee, committee, subcommittee, person or persons to whom the Cabinet Board has delegated its powers and duties) shall be sufficient authority for the signing or sealing of any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Monitoring Officer should be sealed.
- 22.2 The Common Seal of the Development Corporation shall be kept in a safe place in the custody of the Monitoring Officer and the affixing of the Common Seal shall be attested by the Monitoring Officer or other person nominated by him/her, unless any enactment otherwise authorises or requires, or the Corporation has given requisite authority to some other person (See authority of the Group Chief Executive in accordance with delegation CEO8 (Appendix IV)).

23. Authentication of documents

- 23.1 Where any document is necessary for any legal procedure or proceedings on behalf of the Development Corporation it will be signed by the Monitoring Officer or other person nominated by him or her, unless any enactment otherwise authorises or requires, or the Corporation has given requisite authority to some other person.

24. Committees

- 24.1 The Board shall at its Annual Meeting each year appoint such committees as are required to be appointed by or under any statute, and may at any time appoint such other joint committees, committees or sub-committees as are necessary to carry out the work of the Corporation but, subject to any statutory provision, may at any time dissolve a joint committee, committee, sub-committee or alter its membership;
- 24.2 No joint committee, committee or sub-committee shall continue in office longer than the next Annual Meeting.
- 24.3 These procedure rules shall, with any necessary modifications, apply to meetings of committees and sub-committees of the Board. Save where it is otherwise stipulated elsewhere in this Constitution or in legislation, decisions of the committees and subcommittees of the Development Corporation shall be made by way of a simple majority of the Members present and voting, and the Chair shall have not have a second or casting vote.

25. Attendance

- 25.1 The Monitoring Officer shall record the attendance of each Member at each meeting of the Board and committees and subcommittees of the Development Corporation, and it shall be the responsibility of each Member to sign such a record, if requested.

26. Failure to attend Meetings

- 26.1 Subject to the exceptions prescribed by statute, if a Member of the Development Corporation fails throughout a period of six consecutive months to attend any meeting of the Board or the joint committees, committees or subcommittees of the Development Corporation to which they have been appointed, he/she shall (unless the failure to attend was due to a reason approved by the Board before the end of that period), cease to be a Member of the Development Corporation. For the purpose of this provision, the period of failure to attend shall date from the first meeting which the Member could have attended as a Member.

27. Resignation

- 27.1 A person appointed as a Member of the Development Corporation may at any time resign his/her office by a notice of resignation in writing signed by him/her and delivered to the Monitoring Officer and the Chair or Vice Chair of the committee that appointed him/her, as the case may be.

28. Members' Allowances

- 28.1 The Development Corporation may pay travel and subsistence allowances to its Members in accordance with a scheme drawn up and approved by the Board.
- 28.2 The Development Corporation may pay allowances to eligible members, in accordance with recommendations made by the Tees Valley Combined Authority's Independent Remuneration Panel contained in a report submitted by the panel to the Tees Valley Combined Authority Cabinet.

Appendix II

CODES OF CONDUCT

PREAMBLE

FOR INFORMATION ONLY GENERAL PRINCIPLES OF CONDUCT

Preamble

The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.

Selflessness

Holders of public office should act solely in terms of the public interest.

Honesty and Integrity

Holders of public office should be truthful and should avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly on merit, using best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Personal Judgement

Members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for Others

Members should promote equality by not discriminating unlawfully against any person and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the Development Corporation's Statutory Officers and its other employees.

Duty to Uphold the Law

Members should uphold the law and, on all occasions, act in accordance with the trust that the public is

entitled to place in them.

Stewardship

Members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to change poor behaviour wherever it occurs.

NOTE: THIS PREAMBLE AND THE GENERAL PRINCIPLES OF CONDUCT SPECIFIED WITHIN IT ARE FOR INFORMATION ONLY, AND THEY DO NOT FORM A PART OF THE DEVELOPMENT CORPORATION'S CODE FOR ENFORCEMENT PURPOSES.

SOUTH TEES DEVELOPMENT CORPORATION

(“THE DEVELOPMENT CORPORATION”)

CODE OF CONDUCT FOR MEMBERS AND OFFICERS

Members Code of Conduct

Part 1 General Provisions

Introduction and Interpretation

1. (1) This Code applies to **you** as a Member of the Development Corporation when you are acting in that capacity.
- (2) This Code is based upon and is intended to be consistent with the General Principles of Conduct specified in the preamble.
- (3) It is your responsibility to comply with the provisions of this Code.
- (4) This Code does not cover matters in respect of which the Secretary of State may under the Act specifically provide that criminal sanctions will apply.

Interpretation

2. (1) In this Code--
 - “the Act” means the Localism Act 2011
 - “meeting” means any meeting of: -
 - (a) the Development Corporation or the Development Corporation Board;
 - (b) the Development Corporation Group Audit & RiskGovernance Committee and any workstream established by the Board

“Member” includes the Mayor, elected and co-opted Members and Associate Members.

General Conduct

3. (1) You must treat others with respect.
- (2) You must not do anything which may cause the Development Corporation to breach any of the equality enactments (as defined in Section 33 of the Equality Act 201006).
- (3) You must not bully any person and you must not intimidate or attempt to intimidate any person who is involved in any complaint about any alleged breach of this Code.

- (4) You must not do anything which compromises or is likely to compromise the impartiality of anyone who works for or on behalf of the Development Corporation.
 - (5) You must not conduct yourself in a manner which could reasonably be regarded as bringing the Development Corporation, or your office as a Member of the Development Corporation, into disrepute.
 - (6) You must not use or attempt to use your position as a Member improperly to confer on or secure for yourself or any other person any advantage or disadvantage.
4. When using or authorising the use by others of the resources of the Development Corporation: -
- (1) You must act in accordance with the Development Corporation's reasonable requirements.
 - (2) You must ensure that such resources are not used improperly for political purposes (including party political purposes); and
 - (3) You must have regard to the Development Corporation's Transparency Code.
5. You must not prevent, or attempt to prevent, another person from gaining access to information to which they are entitled by law.
6. You must not disclose information which is given to you in confidence, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, unless: -
- (a) you have the consent of a person authorised to give it; or
 - (b) you are required by law to do so; or
 - (c) the disclosure is made to a third party for the purpose of obtaining professional legal advice, provided that the third party agrees not to disclose the information to any other person; or
 - (d) the disclosure is reasonable, in the public interest, made in good faith, and made in compliance with the reasonable requirements of the Development Corporation.
7. Where you have been involved in the making of any decision or the taking of any action by the Development Corporation Board or ~~Group Audit & Risk Committee~~Development Corporation Audit & Governance Committee, or recommendation made by any workstream established by the Board, you must not take part in that scrutiny process other than for the purpose of answering questions or giving evidence relating to the business.
8. (1) When making decisions on any matter you must have regard to any relevant advice provided to you by:
- (a) the Development Corporation Group Chief Executive; or
 - the Development Corporation Director of Finance & Resources;
 - (b) the Development Corporation Monitoring Officer; or

~~(b) or~~

(c) the Development Corporation ~~Engineering & Programme Director~~Chief Operating Officer

~~(d) the Development Corporation Monitoring Officer,~~

where that Officer is acting pursuant to his or her statutory duties.

- (2) You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by the Development Corporation

Part 2

Interests

Registration of Members' Interests

1. Subject to paragraph 12, you must register in Development Corporation's register of Members' interests ("Register") information about your personal interests. For the purposes of paragraphs ~~59~~ to ~~945~~ inclusively 'your personal interests' or 'personal interest' means: -
 - (a) any 'disclosable pecuniary interest' (as specified at the Appendix to this Code or as defined by any statutory provisions in force from time to time under the Act) which you know about and which is held by
 - you, or
 - your spouse or civil partner, a person with whom you are living as husband and wife, or a person with whom you are living as if you are civil partners; and
 - (b) any other interests held by you as set out in ~~in this Part 2~~ ~~paragraph 11~~.
2. You must register information about your personal interests by giving written notice to the Monitoring Officer, who maintains the Register, within 28 days of: -
 - this Code being adopted by the Development Corporation;
 - your election or appointment as a Member of the Development Corporation; and of
 - becoming aware of any new interest or change to any registered interest.
3. You have a personal interest in any business of the Development Corporation and for the purposes of ~~paragraph 9(b)~~ ~~this Part~~ where either it relates to or is likely to affect: -
 - (a) 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;
 - (b) any body which: -
 - (i) exercises functions of a public nature or
 - (ii) is directed to charitable purposes or

(iii) one of whose principal purposes includes the influence of 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); Sensitive Information
4. Where you think that disclosure of the details of any of your personal interests could lead to you, or a person connected with you, being subject to violence or intimidation, you may inform the Monitoring Officer; and if the Monitoring Officer agrees, a note will be made in the Register to the

effect that you have a personal interest, details of which are withheld under Section 32 of the Act.

Declaration of Interests

5. Where you attend a meeting and you are, or ought reasonably to be, aware that any of your personal interests are relevant to an item of business which is being considered, then you must disclose to that meeting the existence and nature of that interest at the start of the consideration of that item of business, or when the interest becomes apparent, if later.
6. Where you have a personal interest in any business of the Development Corporation which relates to or is likely to affect a body of a type described in paragraph 11(a) and 11(b)(i), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that business.
7. Where you have a personal interest but, by virtue of paragraph 12, sensitive information relating to it is not registered in the Register, you must indicate to the meeting that you have a personal interest, but you need not disclose the sensitive information to the meeting.
8. Where you attend a meeting, and you are, or ought reasonably to be aware that a decision in relation to any item of business which is to be transacted might reasonably be regarded as affecting your well-being or financial position, or the well-being or financial position of a person described in paragraph 17, to a greater extent than most of the inhabitants of the area affected by the decision, then you must disclose to that meeting the existence and nature of that interest at the start of that item of business, or when the interest becomes apparent, if later.
9. The persons referred to in paragraph 1(b) are: -
 - (a) a Member of your family;
 - (b) any person with whom you have a close association;
 - (c) in relation to persons described in (a) and (b), their employer, any firm in which they are a partner, or a company of which they are a director;
 - (d) any person or body in whom persons described in (a) and (b) have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
 - (e) any body of a type described in paragraph 11 (a) and (b).

Non participation

10. Where you have a personal interest of the type described in paragraph 3 of this Part in any business of the Development Corporation, and the interest is one which a Member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest and the business: -
 - (a) affects your financial position or the financial position of a person or body described in paragraph 9(a) to (e) inclusively; or

(b) relates to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body referred to in the preceding sub-paragraph (a),

then subject to paragraph [11 of this Part](#) ~~19 and 20~~: -

- (a) you may not participate in any discussion of the matter at the meeting;
- (b) you may not participate in any vote taken on the matter at the meeting;
- (c) if the interest is not registered, you must disclose the interest to the meeting; and
- (d) if the interest is not registered and is not the subject of a pending notification, you must notify the Monitoring Officer of the interest within 28 days.

11. Where you have an interest of the type described in paragraph [348](#) in any business of the Development Corporation, you may attend the meeting and make representations, answer questions or give evidence relating to that business before the business is considered and voted upon, provided the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

Disclosable Pecuniary Interests

12. In addition to the requirements of the Act regarding the registration and declaration of a disclosable pecuniary interest, you must also comply with the statutory requirements relating to withdrawal from participating in any discussion or voting on any matter in which you have a disclosable pecuniary interest. [A Disclosable Pecuniary Interest is defined in Part 3 of this Code.](#)

Requirement to leave a meeting room

13. You must comply with any procedural rule or standing order adopted by the Development Corporation which requires a Member to leave the room during any meeting at which a matter in which they have a disclosable pecuniary interest is being discussed.

Gifts and Hospitality

14. [All offers of gifts or hospitality should be treated with caution. Where a gift or hospitality could be perceived as an inducement or reward for delivering Development Corporation business or where acceptance of the gift or hospitality could be open to misinterpretation, Members should tactfully but firmly refuse the offer.](#)

15. [Gifts of a promotional nature, e.g. calendars, diaries and pens which are of a low monetary value i.e. less than £25 may be accepted.](#)

16. [All offers of gifts and hospitality of £25 or more in value, including any offers of sponsorship for training or development, whether or not they are accepted, must be recorded promptly \(and no later than 28 days from the date of the offer\) in a register held by the Monitoring Officer.](#)

17. [It is a criminal offence under the Bribery Act 2010 to accept a bribe or to bribe another person. The](#)

offence of being bribed will occur where an employee agrees to receive or accepts an advantage (for their own or another's benefit and whether or not he or she actually receives it), in order to carry out the improper performance of a Development Corporation function, or where the advantage may be a reward for already having performed the function improperly.

- 18.** The offence of bribing another person occurs where an individual offers, promises or gives a financial or other advantage to another person, with the intention that this will induce that person
- 19.** to improperly perform a function or activity, or in order to reward that person for the improper performance of such a function or activity.
- 20.** Guidance on the Bribery Act indicates that bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of a commercial organisation, better to present products and services, or to establish cordial relations, is recognised as an established and important part of doing business and it is not the intention of the Act to criminalise such behaviour.
- 21.** If a Member is in any doubt about the acceptance of a gift or hospitality they should inform the Monitoring Officer in advance (where feasible) and seek advice. Where a Member receives an unsolicited gift or believes that a person is otherwise attempting to influence him or her, the Monitoring Officer should be informed immediately.
- 22.** Members are required to complete a Declaration of Interest Form each year. This includes a section on Gifts and Hospitality. Members are reminded of their obligations to update their Declaration of Interest throughout the year and to ensure that updated receipts are registered in line with this Code.

Part 3

Disclosable Pecuniary Interests

1. The duties to register, disclose and not to participate in respect of any matter in which a Member has a disclosable pecuniary interest are set out in Chapter 7 of the Localism Act 2011.
2. Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (SI 2012 No. 1464) as follows: -

For this purpose: -

“the Act” means the Localism Act 2011;

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident

society; “land” excludes an easement, servitude, interest or right in or over land which does not

carry with it a

right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means a member of a relevant

Authority; “Member” includes a co-opted

member;

“Development Corporation” means the corporation of which M is a Member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) or 31(7), as the case may be, of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Interest

Employment, office, trade, profession or vocation

Prescribed Description

Any employment, office, trade, profession or vocation carried on for profit or gain.

Sponsorship	Any payment or provision of any other financial benefit (other than from the Development Corporation) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a Member, or towards the election expenses of M. This includes any payment or financial benefits from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992).
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the Development Corporation:- (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged
Land	Any beneficial interest in land which is within the area of the Development Corporation.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the Development Corporation for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge):- (a) the landlord is the Development Corporation; and (b) the tenant is a body in which the relevant person has a beneficial interest
Securities	Any beneficial interest in securities of a body where: - (a) that body (to M's knowledge) has a place of business or land in the area of the Development Corporation; and (b) either – (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of

that class.

Part 4

Officers Code of Conduct

1. Purpose

- 1.1 This code sets out the standards of conduct that the South Tees Development Corporation (“the Development Corporation”) expects from its Officers. The aim is to promote high standards of conduct and to maintain public confidence in the Development Corporation and its services.

2. General Principles

- 2.1 The public is entitled to expect the highest standards of conduct from all Officers. The role of Officers is to represent the Development Corporation in delivering services to the local community. Officers must perform their duties to the best of their abilities with honesty, integrity, impartiality and objectivity and contribute to the maintenance of high standards in public service. Officers must at all times act in accordance with the trust that the public is entitled to place in them.
- 2.2 This code should be read in conjunction with the Development Corporation’s Constitution and other relevant Policies and Procedures.

3. Gifts and Hospitality

- 3.1 All offers of gifts or hospitality should be treated with caution. Where a gift or hospitality could be perceived as an inducement or reward for performing Development Corporation duties, or where acceptance of the gift or hospitality could be open to misinterpretation, Officers should tactfully but firmly refuse the offer.
- 3.2 Gifts of a promotional nature, e.g. calendars, diaries and pens which are of a low monetary value i.e. less than £25 may be accepted.
- 3.3 All offers of gifts and hospitality of £25 or more in value, including any offers of sponsorship for training or development, whether or not they are accepted, must be recorded promptly (and no later than 28 days from the date of the offer) in a register held by the Senior Administrator.
- 3.4 It is a criminal offence under the Bribery Act 2010 to accept a bribe or to bribe another person. The offence of being bribed will occur where an employee agrees to receive or accepts an advantage (for their own or another’s benefit and whether or not he or she actually receives it), in order to carry out the improper performance of a Development Corporation function, or where the advantage may be a reward for already having performed the function improperly.
- 3.5 The offence of bribing another person occurs where an employee offers, promises or gives a financial or other advantage to another person, with the intention that this will induce that person to improperly perform a function or activity, or in order to reward that person for the improper performance of such a function or activity.
- 3.6 Guidance on the Bribery Act indicates that bona fide hospitality and promotional, or other

business expenditure which seeks to improve the image of a commercial organisation, better to present products and services, or to establish cordial relations, is recognised as an established and important part of doing business and it is not the intention of the Act to criminalise such behaviour.

- 3.7 If Officers are in any doubt about the acceptance of a gift or hospitality they should inform the Monitoring Officer in advance (where feasible) and seek advice. Where an employee receives an unsolicited gift or believes that a person is otherwise attempting to influence him or her, the Monitoring Officer should be informed immediately.
- 3.8 Particular care should be taken by Officers concerned with purchasing the award of official contracts or the allocation of grant monies. An Officer who knowingly accepts a gift or favour from a contractor or other person providing services to or seeking services or funding from the Development Corporation may put themselves at risk of a disciplinary investigation. Failure to record offers of gifts and hospitality may also be the subject of investigation by managers.

4. Confidential Information

- 4.1 Officers should treat all information they receive in the course of their employment as confidential to the Development Corporation. Officers must not use information in the Development Corporation's possession to further their private interests or those of their relations and friends. Deliberate exploitation of confidential information for personal gain may result in disciplinary action, including dismissal.
- 4.2 Officers are only permitted to disclose confidential information where it is required by law or where the Development Corporation has agreed to make the information available to the public. Where Officers are in any doubt as to whether they are permitted to release information they must consult their Manager before any disclosure is made.

5. Officer Interests

- 5.1 Officers must disclose any personal conflicts of interest and must not involve themselves in any decisions or matters where their actions could be perceived as biased. A personal conflict may arise where an Officer provides consultancy services in a private capacity which conflict with or are of a similar nature to the Development Corporation's services, or which may result in a reduction of the Development Corporation's services. Another example is where an employee, acting in a private capacity, causes conflict with a service provided by the Development Corporation to a service user.
- 5.2 Officers interests in contracts must be disclosed in writing where Officers have any financial interest, direct or indirect, in any contract which the Development Corporation has entered into or is proposing to enter into, or any application by the Development Corporation for a licence, consent or permission. Officers are also required to identify a partner, relative or close associate who might have a legitimate interest in Development Corporation contracts or services.
- 5.3 Officers must also disclose in writing any interests where they are involved as either as an individual or as a partner in a business or as a Director of a Company or where they have a substantial shareholding in a public or private company which regularly has dealings with the Development Corporation. For this purpose, "substantial" can be defined as more than £5,000 nominal value or 1/100th of the nominal value of the company whichever is the lower.

Friendship or membership of an association or society could also influence an Officer's judgements and should be treated in the same way.

- 5.4 If Officers are in any doubt as to what interests they need to declare they should seek guidance from the Monitoring Officer. Failure by Officers to declare interests in contracts or companies is a criminal offence. Failure to disclose a conflict of interest may result in disciplinary action.

6. Public Office

- 6.1 Officers who wish to seek public office in a Local Authority other than that with whom they are employed or act for are not generally prevented from doing so unless they occupy politically restricted posts under the Local Government and Housing Act 1989 ("the 1989 Act") but should discuss their intentions and the implications with the Monitoring Officer and seek legal advice.
- 6.2 Officers other than holders of politically restricted posts who become councillors of other Local Authorities should ensure that their two capacities are kept separate. In particular, they should take care that they do not disclose or use for an unauthorised purpose confidential information which could benefit or cause harm either to the Authority represented or to the Development Corporation.

7. Political Activities

- 7.1 Political activities relate to standing for public elected office, engaging in party political debate in a personal capacity, by speaking or writing in public and canvassing at elections. The ability of Officers to engage in such activities is restricted if they occupy politically restricted posts, as defined by section 2 of the 1989 Act and specified in a list maintained by the Development Corporation as required by that Act.
- 7.2 An employee who proposes to engage in political activities should consider all aspects of this Code and ensure there is no conflict of interest between their duties as an employee and their political activities. Officers who regularly advise Members, regularly have contact with the public or media, or exercise delegated powers should take particular care when they propose to engage in political activities. They must in all cases consult their Manager.
- 7.3 Where Officers are required to advise Members they must do so in ways which do not compromise their political neutrality and must not allow their own personal or political opinion to influence or interfere with their work.

8. Recruitment and Employment

- 8.1 Officers involved in recruitment or decisions relating to discipline, promotion or grading must not be involved where they are related to an applicant or have a close association with an applicant or employee.
- 8.2 All Officers involved in recruitment and selection on behalf of the Development Corporation must be familiar with, and abide by, the Development Corporation's recruitment policy and procedures.
- 8.3 Canvassing of Members of the Development Corporation relating to any employment matter including appointments, is strictly prohibited and may result in disciplinary action.

9. Sustainability Issues

- 9.1 Officers must be aware of their obligation towards improving the environment and in particular ensure the wider long-term implications of their actions are in accordance with Development Corporation policy.
- 9.2 Officers are required to consider sustainability issues when undertaking their duties, including the procurement of goods and services. In particular they should seek opportunities to improve and promote energy conservation, advocate recycling and waste minimisation, reduce pollution and support Development Corporation initiatives to improve the environment.

10. Diversity

- 10.1 All Members of the local community, customers, contractors, Members and Officers have a right to be treated with fairness and dignity. All Officers are required to comply with the Development Corporation's diversity policies and in accordance with the legal requirements placed upon the Development Corporation.

11. Intellectual Property/Copyright/Lecture Fees

- 11.1 All creative designs, writings and drawings produced by Officers in the course of their duties are the property of the Development Corporation.
- 11.2 All inventions made by Officers remain the property of the Development Corporation if made during the course of their duties. The duties are described in the Officers terms of employment, job description and those arising from an instruction from a manager or other authorised officer of the Development Corporation.
- 11.3 Fees for giving lectures or writing articles may only be retained by Officers where these activities are not integral to their employment or position with the Development Corporation and they are conducted in the Officers own time.
- 11.4 Where Officers are interviewed by the media or agree to give lectures in connection with their official duties the Development Corporation's Head of Communications and Marketing must be consulted on any intended lecture or publication in the press or other media which is connected to their official duties and prior consent of their line manager must be obtained.
- 11.5 Officers should take care when expressing their personal views publicly that they do not undermine confidence in their objectivity in the performance of their duties.

12. Use of the Development Corporation's Facilities

- 12.1 Officers must ensure that they use public funds entrusted to them in a responsible and lawful manner. They should strive to ensure value for money to the local community and to avoid legal challenge to the Development Corporation.
- 12.2 The Development Corporation's resources should be used solely in respect of its business. No improper use must be made of premises, vehicles, equipment, stationery or services. A

reasonable amount of personal use of ICT and telephone facilities may be made but is subject to any Development Corporation ICT protocols and any arrangements for the payment of personal telephone calls.

13. Performance of Duties

- 13.1 Officers are required to observe agreed working procedures, operational regulations, health and safety rules, regulations, professional codes of practice and the provisions of the Development Corporation's Constitution and to carry out reasonable and proper instructions in matters relating to their duties.
- 13.2 An Officer must not: -
- (a) Fail to discharge through carelessness, or neglect an obligation placed upon him/her by contract or by law;
 - (b) Fail to report any matter which he/she is required to report;
 - (c) Fail to wear safety clothing or footwear, or use safety equipment which has been issued as being necessary in the interests of health & safety or otherwise fail to have due regard to health & safety requirements.
- 13.3 Failure to observe the Officers Code of Conduct or any human resources policies and procedures (for instance relating to substance misuse, smoking or ICT protocols) or other Development Corporation policies, regulations or standards, may lead to disciplinary action in accordance with the Development Corporation's disciplinary procedures.

Part 4

Protocol on Member/Officer Relations

1. The Role and Purpose of the Protocol

- 1.1 The South Tees Development Corporation (“the Development Corporation”) strives to carry out its duties and provide services in a way that is effective; efficient in terms of the resources deployed; and responsive to the views and wishes of the people that might be affected by what it does.
- 1.2 Above all, the Development Corporation operates with, and promotes high ethical values and standards in an environment which demands close and effective working relations between all Members and Officers without either seeking to take unfair advantage of their position. This is achieved by means of a culture of mutual respect, trust, courtesy, openness and understanding, in which Members and Officers feel free to speak to one another openly and honestly.
- 1.3 With this in mind, the purpose of this Protocol is not in any way to change that relationship, but to offer guidance to Members and Officers on their respective roles and their working relations with one another, in order to help them to perform more effectively and thereby to ensure the efficient and effective running of the corporation and the delivery of best value services to the local community.
- 1.4 The relations between Members and Officers are complex and varied. This Protocol does not therefore aim to be either prescriptive or comprehensive. It is intended simply to offer guidance on some of the issues which most commonly arise. It is hoped however that the approach which it adopts to these issues will serve as a reference document for dealing with other issues.
- 1.5 This Protocol relies to a large extent on current practice and convention. It does, however, attempt to promote greater clarity and certainty for the benefit of both Members and Officers.
- 1.6 The Protocol also seeks to reflect and bring together the principles underlying the respective Codes of Conduct which apply to Members and Officers. The shared objective of these Codes is to enhance and maintain the integrity (both real and perceived) of Development Corporations and those who work within them and to maintain the very high standards of personal conduct required of all who serve the public.
- 1.7 Development Corporations do not however operate in isolation. The Development Corporation always seeks to work in partnership with other local organisations and agencies and regional and national bodies to the greatest effect for the people of the area. Increasingly the Development Corporation’s Members and Officers are

required to represent the Development Corporation on a variety of outside bodies and organisations with statutory and non-statutory links to the Development Corporation. Whilst the procedural aspects of the Protocol relate mainly to the Development Corporation, it is expected that Members and Officers representing the Corporation on outside bodies, continue to maintain the ethos of courtesy, respect and understanding advocated by this Protocol.

- 1.8** The Protocol must be read and operated in the context of all relevant legislation and national and local codes of conduct and the Development Corporation’s Policy on confidential reporting. A copy of the Members’ Code of Conduct and the Confidential Reporting Policy are reproduced in this part of the Constitution. Advice and guidance in connection with the Code and Policy, together with this Protocol can be obtained from the Development Corporation’s Monitoring Officer.

2. The Roles of Members and Officers

2.1 Members

The roles of Members of the Development Corporation and Officers employed by the Development Corporation are different, but complementary. Members and Officers are servants of the public and they are indispensable to one another, but their responsibilities are distinct. All Members, including the Mayor, serve only so long as their term of office lasts. Officers are responsible to their Corporation (the Development Corporation). Their job is to give advice to all Members including the Mayor, and to the Corporation, and to carry out the Corporation’s work under the direction and control of the Corporation.

Mutual respect between Members and Officers is essential to good governance. Close personal familiarity between individual Members and Officers can change this relationship and prove embarrassing to the Members and Officers.

- 2.2** The five guiding principles to be followed are that the Development Corporation should be:

Transparent – to ensure that the public are clear about who is responsible for particular decisions.

Understandable – to ensure that the decision-making process is simple, clear and unambiguous to Members, Officers and the public.

Efficient – to enable swift and responsive action.

Accountable – to ensure that decisions are open to scrutiny by Members and by the public and that members of the public are able to measure the Development Corporation’s actions against its agreed policies.

Providing Best Value - to promote continuous improvement within the Development Corporation and demonstrate Best Value in ensuring resources are

directed appropriately.

2.3 Officers

Officers support and advise the Development Corporation, and the constituent parts of its decision-making processes; implement the Development Corporation's decisions and may themselves take decisions formally delegated to them through the approved Scheme of Delegation. All Officers are required to be politically neutral.

2.4 Both Officers and Members, including the Mayor, must comply in all respects and at all times with their respective Codes of Conduct, not only in their dealings with each other, but also when dealing with partners and the public.

2.5 In particular, it should be recognised that Members of the Development Corporation do not have any special immunity from civil or criminal wrongs that they may commit against fellow Members, Officers or members of the public. Members must ensure that they do not, therefore, for example, slander or libel another person. During the course of their normal duties for the Development Corporation, Members will only have a qualified (and not an absolute) protection against prosecution or civil action.

2.6 Any member of the public (including Officers) can complain to the Development Corporation's Monitoring Officer about a Members' alleged breach of the Development Corporation's Code of Conduct for Members and/or bring private, civil action against a Member. The Auditor can also take legal action against an elected Member and the Development Corporation, as a whole, for any alleged breach of the law.

2.7 The Development Corporation has statutory duties with regard to equality issues and in accordance with Development Corporation's Code of Conduct for Members, Members must promote equality by not discriminating against others. Members and Officers should not, therefore, by their behaviour or speech act in a discriminatory way with regard to, for example, a person's age, gender, race, disability, religion, ethnicity, nationality or sexual orientation. Such principles will apply to the implementation of personnel policies, recruitment and promotion as they apply to day to day dealings with fellow human beings.

2.8 Members' expectations

Members can expect from Officers: -

- (a) A commitment to the Development Corporation as whole, and not to any particular political group.
- (b) A working partnership.
- (c) An understanding of and support for the respective roles, workloads and

pressures.

- (d) Reasonable and timely response to enquiries and complaints.
- (e) Professional advice, not influenced by political views or preference, which does not compromise the political neutrality of Officers.
- (f) Regular, up to date information on matters that can reasonably be considered appropriate and relevant to their needs, having regard to any individual responsibilities that they have and positions that they hold.
- (g) Awareness of and sensitivity to the political environment.
- (h) Respect, dignity and courtesy and not acting in a discriminatory way through behaviour or speech.
- (i) That they have received relevant training and development in order to carry out their role effectively.
- (j) Integrity, mutual support and appropriate confidentiality
- (k) That employees will not use their relationship with Members to advance their personal interests or to influence decisions improperly.
- (l) That Officers will at all times comply with the relevant Code of Conduct.
- (m) Support for the role of Members as the local representatives of the Development Corporation, within the parameters of support approved by the Development Corporation.
- (n) That Officers will promote equality of opportunity in all Development Corporation matters.

2.9 Officers' Expectations

Officers can expect from Members: -

- (a) A working partnership.
- (b) An understanding of and support for the respective roles, workloads and pressures.
- (c) Leadership and direction.
- (d) Respect, dignity and courtesy and not acting in a discriminatory way through behaviour or speech.

- (e) Integrity, mutual support and appropriate confidentiality.
- (f) Not to be subject to bullying or harassment or to be put under undue pressure. Members should have regard to the seniority of Officers in determining what are reasonable requests, having regard to the relationship between Members and Officers, and the potential vulnerability of Officers, particularly at junior levels.
- (g) That Members will not use their position or relationship with Officers to advance their personal interests or those of others or to influence decisions improperly.
- (h) That Members will at all times comply with the Development Corporation's Members' Code of Conduct.
- (i) That Members will promote equality of opportunity in all Development Corporation matters.

2.10 Limitations Upon Behaviour

The distinct roles of Members and Officers necessarily impose limitations upon behaviour. By way of illustration, and not as an exclusive list: -

- (a) Close personal, as opposed to working, relationships between Members and Officers can confuse these separate roles and detrimentally affect the proper discharge of the Development Corporation's functions, not least by creating the perception in others that a particular Member or Officer may be securing advantageous treatment.
- (b) The need to maintain the separate roles means that there are limits to the matters on which Members may seek the advice of Officers, both in relation to personal matters and party political issues.
- (c) Relationships with a particular individual or party group should not be such as to create public suspicion that an employee favours that Member or group above others.

2.11 Grievances or Complaints

Procedure for Officers

- (a) –From time to time the relationship between Members and Officers may break down or become strained. Whilst it will always be preferable to resolve matters informally, through conciliation by an appropriate senior manager or Member, Officers will have recourse to a Policy and Procedure relating to grievances, where the matter concerns their employment or to the Development Corporation's Monitoring Officer, as appropriate to the

circumstances. In the event of a grievance or complaint being upheld, the matter will be referred to the Group Chief Executive Officer who will decide on the course of action to be taken.

Procedure for Members

- (b) In the event that a Member is dissatisfied with the conduct, behaviour or performance of an Officer, he/she should not raise the matter in public or before the press, as Officers have no means of responding to the same in public. The matter should be raised with an appropriate Officer.

Part 5

Confidential Reporting Policy

This policy enables employees, and other persons working for the South Tees Development Corporation (“the Development Corporation”) on Development Corporation premises, together with suppliers and those providing services under a contract with the Development Corporation to voice confidentially serious concerns over alleged malpractice and alleged wrongdoing within the Development Corporation.

Officers will be nominated for the purpose of dealing with concerns raised by employees or other persons under this policy.

1. INTRODUCTION

1.1 Employees/Officers are sometimes the first to realise that there may be something seriously wrong, but they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Development Corporation; or they may fear harassment, victimisation or other reprisals. In these circumstances it may be easier to ignore the concern rather than report what may be just a suspicion of malpractice.

1.2 The Development Corporation is committed to the highest possible standards in the delivery of its services, and for full accountability for those services. In line with that commitment employees are encouraged to come forward and voice any serious concerns they may have about the Development Corporation’s operations. It is recognised that certain matters will have to be dealt with on a confidential basis. This policy makes it clear that you can do so without fear of reprisals. This policy is intended to encourage and enable you to raise serious concerns within the Development Corporation rather than overlooking a problem or “blowing the whistle” outside.

1.3 The policy applies to all Officers, employees and any contractors working for the Development Corporation on Development Corporation premises. It also covers suppliers and those providing services under a contract with the Development Corporation in their own premises.

2. AIMS AND SCOPE OF THIS POLICY

2.1 This policy aims to:

- (a) provide avenues for you to raise concerns and receive feedback on any action taken;
- (b) allow you to take the matter further if you are dissatisfied with the Development Corporation’s response to the concerns expressed; and

- (c) reassure you that you will be protected from possible reprisals or victimisation

2.2 Complaints systems are in place to provide a mechanism for individuals to complain about the standard of service, action or lack of action by the Development Corporation or its employees, which affect our services to the public. If you are an employee there are procedures in place to enable you to lodge a grievance relating to your own employment. The Confidential Reporting Policy is intended to cover concerns that fall outside the scope of these procedures e.g. malpractice or wrongdoing. Thus any serious concern that you may have regarding possible malpractice or wrongdoing in any aspect of service provision or the conduct of Officers or Members of the Development Corporation (although complaints about Members' conduct will need to be forwarded to the Development Corporation's Monitoring Officer) or others acting on behalf of the Development Corporation, can and should be reported under this policy. Employees and Officers are expected to report malpractice and wrongdoing and may be liable to disciplinary action if they knowingly and deliberately do not disclose information relating to malpractice or wrongdoing in any aspect of service provision or the conduct of Officers or Members of the Development Corporation or others acting on behalf of the Development Corporation.

3. WHAT IS MALPRACTICE OR WRONGDOING?

3.1 Malpractice and wrongdoing may be about something which: -

- is unlawful; or
- against the Development Corporation's Procedure Rules or policies; or
- is not in accordance with established standards of practice; or
- amounts to improper conduct by an Officer or a Member.

The overriding concern should be that it would be in the public interest for the malpractice or wrongdoing to be corrected and, if appropriate, sanctions to be applied.

The following are examples of issues which could be raised under this policy. It is not intended to be an exhaustive list and there may be other matters which could be dealt with under the policy:

- (a) any unlawful act or omission, whether criminal or a breach of civil law
- (b) maladministration, as defined by the Local Government Ombudsman
- (c) breach of any statutory code of practice
- (d) breach of, or failure to implement or comply with any policy determined by the Development Corporation

- (e) failure to comply with appropriate professional standards or other established standards of practice
- (f) corruption or fraud
- (g) actions which are likely to cause physical danger to any person, or give rise to a risk of significant damage to property
- (h) failure to take reasonable steps to report and rectify any situation which is likely to give rise to a significant avoidable cost, or loss of income, to the Combined Authority or would otherwise seriously prejudice the Development Corporation
- (i) abuse of power, or the use of the Development Corporation's powers and authority for any unauthorised or ulterior purpose unfair discrimination in the Development Corporation's employment or services
- (j) dangerous procedures risking health and safety
- (k) damage to the environment
- (l) other unethical conduct

4. SAFEGUARDS

4.1 HARASSMENT OR VICTIMISATION

The decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice or from the Development Corporation as a whole. The Development Corporation will not tolerate any harassment or victimisation and will take appropriate action in order to protect you if you raise a concern in good faith. In addition you are protected in law by the Public Interest Disclosure Act 1998, which gives employees protection from detriment and dismissal where they have made a protected disclosure, provided the legal requirements of the Act are satisfied.

This does not however necessarily mean that if you are already the subject of disciplinary procedures that those procedures will be halted as a result of a concern being raised under this policy.

4.2 CONFIDENTIALITY

It will be easier to follow up and to verify complaints if complainants are prepared to give their names. However, wherever possible the Development Corporation will protect those who do not want their names to be disclosed. It must be appreciated that any investigation process may nonetheless reveal the source of the information and that a statement from you may be required as part of the evidence.

4.3 ANONYMOUS ALLEGATIONS

Concerns expressed anonymously are much less powerful, and they will be treated with caution and considered at the discretion of the Development Corporation. In exercising this discretion the factors to be taken into account would include:

- (a) the seriousness of the issues raised;
- (b) the credibility of the concern; and
- (c) the likelihood of obtaining the necessary information and confirmation of the allegation.

4.4 DELIBERATELY FALSE OR MALICIOUS ALLEGATIONS

The Development Corporation will view very seriously any deliberately false or malicious allegations it receives and will regard the making of any deliberately false or malicious allegations by any employee as a serious disciplinary offence which could result in dismissal. If you make an allegation in good faith but it is not confirmed by the investigation, no action will be taken against you.

The Development Corporation will try to ensure that the negative impact of either a malicious or unfounded allegation about any employee is minimised. However, it must be acknowledged that it may not be possible to prevent all of the repercussions potentially involved.

5. HOW DO I RAISE A CONCERN?

5.1 If you suspect wrongdoing in the workplace:

- **do not** approach or accuse the individuals directly
- **do not** try to investigate the matter yourself
- **do not** convey your suspicions to anyone other than those with the proper authority, but **do** something!

5.2 As a first step, you should normally raise concerns with your immediate manager or supervisor. However, the most appropriate person to contact will depend on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. For example, if you believe that senior management is involved in the matter of concern, or the normal channels of communication are inappropriate for some reason, as an employee of the Corporation you should approach a Nominated Officer (HR Advisor). If you feel that this would be inappropriate in the light of the particular matter concerned, or if you are not a Development Corporation employee, you can contact the Development

Corporation's Monitoring Officer.

- 5.3 Concerns may be raised verbally but are better raised in writing. You are invited to set out the background and history of the concern giving relevant names, dates and places where possible, and the reason why you are particularly concerned about the situation. If you do not feel able to put your concern in writing you can telephone or meet the appropriate Officer.
- 5.4 The earlier a concern is expressed, the easier it is to take appropriate action.
- 5.5 Although you are not expected to prove the truth of an allegation that is made, it will be necessary for you to demonstrate to the person contacted that there are sufficient grounds for concern.
- 5.6 Advice and guidance on how matters of concern may be pursued can be obtained from the Development Corporation's Monitoring Officer.
- 5.7 Alternatively, you may wish to seek advice from your professional association.

6. HOW THE DEVELOPMENT CORPORATION WILL RESPOND

- 6.1 The action taken by the Development Corporation will depend on the nature of the concern. Where appropriate, the matters raised may:
 - be investigated by management, internal audit, or through the disciplinary process
 - be referred to the Police
 - be referred to the external Auditor
 - need to be the subject of a referral to the Development Corporation's Monitoring Officer
 - form the subject of an independent enquiry
- 6.2 In order to protect individuals and the Development Corporation, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures (for example allegations of breaches of the Development Corporation's Code of Conduct, or discrimination issues) will normally be referred for consideration under these procedures.
- 6.3 Some concerns may be resolved by agreed action without the need for investigation.
- 6.4 Within 14 calendar days of a concern being raised under this procedure the relevant Officer will write to you:
 - (a) acknowledging that the concern has been received;
 - (b) indicating how it is proposed to deal with the matter;

- (c) giving an estimate (so far as reasonably practicable) as to how long it will take to provide a final response;
- (d) telling you whether any initial enquiries have been made; and
- (e) telling you whether further investigations will take place and if not, why not.

6.5 The amount of contact between you and the Officers considering the issues will depend on the nature of the matters raised; the potential difficulties involved; and the clarity of information provided. If necessary, further information will be sought from you.

6.6 Where any meeting is arranged, you have the right, if you so wish, to be accompanied by someone who is not involved in the area of work and/or the matter to which the concern relates.

6.7 The Development Corporation will take appropriate steps to minimise any difficulties you may experience as a result of raising a concern. For example, if you are required to give evidence in criminal or disciplinary proceedings the Development Corporation will advise you about the procedure.

6.8 The Development Corporation accepts that you need to be reassured that the matter has been properly addressed. Therefore, subject to any legal restraints, you will receive as much information as possible about the outcomes of any investigation.

7. HOW CAN I TAKE THE MATTER FURTHER?

7.1 This policy is intended to provide employees and other persons with an avenue to raise concerns **within** the Development Corporation and it is hoped that you will take this option in the first place. The Development Corporation hopes you will be satisfied with the action taken under the policy. If you are not, and you feel it is right to take the matter outside the Development Corporation, then depending upon the nature of the issue involved, the following are possible contact points:

- a) the External Auditor
- b) relevant professional bodies or regulatory organisations
- c) the Police
- d) the Local Government Ombudsman
- e) Public Concern at Work
- f) an independent legal adviser within the meaning of the Public Interest Disclosure Act 1998
- g) a regulatory body designated for the purposes of the Public Interest Disclosure Act

7.2 If you do wish to take the matter outside the Development Corporation, you must first ensure that you do not disclose confidential information. Check with the Compliance & Governance Manager or the Monitoring Officer about that. In

addition, if you wish to secure the protections afforded by the Public Interest Disclosure Act, you must ensure that your disclosure is protected within the meaning of the Act and that it complies with a set of specific conditions which vary according to whom the disclosure is made. Again please check with the Compliance & Governance Manager or the Monitoring Officer about these matters.

8. RESPONSIBILITY FOR THE POLICY

- 8.1** The responsibility for the effectiveness of this policy rests with the Monitoring Officer. That Officer will be advised about and maintain records of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Development Corporation or one of its Committees.

Appendix IV

FINANCIAL REGULATIONS

1. Purpose and Scope

- 1.1 These regulations form part of the Development Corporation's Constitution and they set out the financial management policies of the South Tees Development Corporation (The Development Corporation) and are a key part of the Corporation's financial governance arrangements. All references to The Development Corporation within these financial regulations shall be taken to include all Development Corporation Group entities.
- 1.2 These regulations lay down for the guidance of Members and Officers, principles to be followed in securing the proper administration of the financial affairs of the Development Corporation.
- 1.3 It is important that these Regulations are, and continue to be, relevant to the Development Corporation. They should be reviewed regularly to remain consistent with the Development Corporation's Constitution and related documentation and be in line with best practice and legislation.
- 1.4 Where references are made to Group entities and/or activities that may on occasion conflict with a Subscription and Shareholders' Agreement (SSHA) of Group entities these Financial regulations will prevail.

2. Role of the Development Corporation

- 2.1 Many of the responsibilities for financial matters are defined within the constitution of which these regulations form part and the Scheme of Delegation. Responsibilities are either reserved for the Development Corporation's Board to exercise or delegate to specific officers such as the Group Chief Executive Officer and Group Director of Finance & Resources.
- 2.2 The Development Corporation has overall responsibility for ensuring that the Development Corporation's expenditure remains within the resources available to it.

3. The Development Corporation is responsible for approving the Financial Control Framework of the Development Corporation.

Role of the Group Director of Finance & Resources

- 3.1 South Tees Development Corporation shall appoint an officer, the Group Director of Finance & Resources, who shall be responsible for ensuring the proper administration of the Development Corporation’s financial affairs.
- 3.2 The Group Director of Finance & Resources shall issue and keep under continuous review, such instructions, advice or procedures relating to financial matters as he or she considers necessary to secure the proper administration of the Development Corporation’s financial affairs.
- 3.3 The Group Director of Finance & Resources is responsible for reporting, where appropriate, breaches of Financial Regulations.
- 3.4 The Group Director of Finance & Resources has responsibility for ensuring compliance with the requirements of the Accounts and Audit Regulations relating to accounting records, control systems and audit.
- 3.5 If any financial issues arise which result in any uncertainty or ambiguity as to the correct procedure to follow under these regulations, then the Group Director of Finance & Resources shall have delegated powers to give a valid direction as to the appropriate procedure to follow.
- 3.6 The Director of Finance & Resources for the Development Corporation is fulfilled by the Group Director of Finance & Resources for the Combined Authority. If significant conflicts of interest arise between these two roles, these will be identified, and discussed with the Group Chief Executive Officer, who may direct another person to temporarily fulfil the role of Group Director of Finance & Resources for the purpose of resolving the significant conflict of interest.

4. Role of the Officers and Group entities (“the Group”)

- 4.1 Chief Officers shall promote the financial management standards set by the Group Director of Finance & Resources and shall adhere to the standards and practices set down in these regulations.
- 4.2 It is the responsibility of Officers to consult with the Group Director of Finance & Resources and seek advice on any matters likely to have a material effect on the Development Corporation finances, before any decision is made.
- 4.3 If any Chief Officer or officer acting on behalf of the Development Corporation is aware of any contravention to these Financial Regulations, they must immediately notify the Group Director of Finance & Resources who shall determine appropriate action.

5. Accounting Policies

- 5.1 The Group Director of Finance & Resources is responsible for selecting Accounting Policies and ensuring that they are applied consistently. The key controls in Accounting Policies are that:
- i. Systems of internal control are in place to ensure that financial transactions are lawful.
 - ii. Proper accounting records are determined and maintained.
 - iii. Financial statements are prepared which represent fairly the financial position of the Development Corporation and its income and expenditure.

6. Financial Planning

- 6.1 The Group Director of Finance & Resources shall determine the appropriate timetable for the preparation of the annual budget that conforms to the statutory deadlines.
- 6.2 Each financial year, as part of the ongoing financial strategy, the Group, in consultation with the Group Director of Finance & Resources, will develop annual revenue and capital budget proposals for consideration by the Development Corporation's Board.
- 6.3 The Group shall prepare a statement of all resources and approvals covering a rolling programme identifying all approved schemes and programmes.
- 6.4 The Group Director of Finance & Resources will advise the Development Corporation on the robustness of budget proposals in accordance with his / her responsibilities under these financial regulations.
- 6.5 All revenue reserves held by the Development Corporation will be kept under review by the Group Director of Finance & Resources with a view to ensuring that they are spent on their specified purposes and that planned expenditure is properly phased.
- 6.6 The Group Director of Finance & Resources will also advise the Development Corporation on the prudent level of reserves and general balances.

- 6.7 The Group Chief Executive and Group Director of Finance & Resources will recommend approval of investment plans to the Development Corporation.

7. Financial Management – Revenue and Capital

Budget Monitoring and Control

- 7.1 The Group are responsible for monitoring their income and expenditure against the revenue and capital budgets approved by the Development Corporation.
- 7.2 The Group Director of Finance & Resources will establish an appropriate framework of financial management and control for the Development Corporation which ensures that;
 - 7.3 budget management is exercised within approved Development Corporation revenue and capital budgets;
 - 7.4 expenditure and income is monitored using information held on the Development Corporation's corporate financial information system;
 - 7.5 timely and sufficient information on receipts and payments on each budget is available to enable managers to fulfil their budgetary responsibilities;
 - 7.6 additions and changes to approved expenditure plans require approval by the Board.
- 7.7 The Group must personally ensure that any information which suggests a potentially significant variation against their approved budget (both overspends and underspends) is notified at the earliest opportunity to the Group Director of Finance & Resources. Where appropriate, the Director of Finance & Resources shall prepare a specific report for the Development Corporation to consider the proposed approach to mitigate the effects of such variation.
- 7.8 Where additional revenue or capital resources become available, or are forecast to become available, the Group must notify the Group Director of Finance & Resources at the earliest opportunity.
- 7.9 The Group Director of Finance & Resources will prepare revenue and capital budget monitoring reports in conjunction with the Group for presentation to the Development Corporation on a regular basis. The frequency and content of these reports shall be determined by the Group Director of Finance & Resources, in consultation with the Development

Corporation's Board.

- 7.10 Where the Group wish to propose new capital and revenue schemes or blocks for inclusion in the Development Corporation's programme, they must first consult the Group Director of Finance & Resources who will determine the approach to be taken for approval of the proposal. The proposals would need to be approved by the Development Corporation following advice from the Group Director of Finance & Resources.
- 7.11 Bids for external funding to support capital and revenue expenditure cannot take place until approved by the Group Director of Finance & Resources.
- 7.12 Expenditure cannot take place unless the scheme or programme is fully funded and approved.

8. Treasury Management

- 8.1 The Development Corporation's Treasury Management activities shall be defined as the management of its investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 8.2 All Treasury Management activity shall be undertaken in full compliance with the Chartered Institute of Public Finance & Resources and Accountancy's Code of Practice: Treasury Management in Public Services (revised 2011) as may be revised from time to time or such other practices and procedures as may be approved by the Development Corporation.
- 8.3 Only the Group Director of Finance & Resources may enter into any borrowing, investment and financing arrangements on behalf of the Development Corporation.
- 8.4 The Group shall ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the prior approval of the Group Director of Finance & Resources.
- 8.5 The Group Director of Finance & Resources is responsible for formulating an annual Borrowing and Treasury Management Strategy for approval by the Development Corporation in advance of the year together with providing a mid-year review and annual report after its close.

9. Banking Arrangements, Cheque Security and Credit Cards

- 9.1 No Group officer/entity other than the Group Director of Finance & Resources may open any bank account in the name of the Development Corporation
- 9.2 The Development Corporation's banking terms and overdraft arrangements shall be agreed by the Group Director of Finance & Resources.
- 9.3 All arrangements for the ordering and issuing of cheques shall be agreed by the Group Director of Finance & Resources, who shall make proper arrangements for their custody.
- 9.4 All cheques drawn on behalf of the Development Corporation shall be signed by 2 of the 3 key nominated signatories – Group Chief Executive Officer, the Group Director of Finance & Resources and the Engineering & Programme Director.
- 9.5 Credit cards, charge cards and other payment methods held in the Authority's name may only be opened, closed and managed by the Group Director of Finance & Resources.
- 9.6 The Group Director of Finance & Resources will ensure that bank reconciliations are completed on at least a monthly basis.

10. External Funding / Grants

- 10.1 The Group Director of Finance & Resources must be consulted on and approve all submissions to central government, European Union, Tees Valley Combined Authority and external bodies for funding. Prior to making any submission in relation to external funding, the Group must ensure that:
 - (a) an exit strategy is identified to manage the ultimate cessation of the funding stream with no adverse impact on the Development Corporation;
 - (b) any match-funding requirements are given due consideration prior to entering into agreements and that future revenue budgets reflect these requirements; and
 - (c) they are able to comply with the terms and conditions of a grant scheme, including auditor certification requirements, before accepting them.
- 10.2 The Group must seek approval from the Group Director of Finance & Resources before accepting any offer of funding from external bodies.

- 10.3 The Group are responsible for ensuring that all expenditure to be funded by grant is properly incurred in accordance with the requirements and conditions of the funding body, and is supported by adequate evidence.
- 10.4 The Group are responsible for ensuring the completion and submission of grant claims. The Group must also ensure that grant claims comply with the requirements and grant conditions of the funding body, are submitted promptly, supported by adequate evidence and approved by the Group Director of Finance & Resources.
- 10.5 The Group are responsible for ensuring that any legal implications and risks of working with third parties are appropriately addressed. This will include any back to back agreements as required.

11. Income

- 11.1 All monies received on behalf of the Development Corporation shall be paid in full into the Development Corporation's bank account without delay.
- 11.2 The Group shall ensure that all accounts for income due to the Development Corporation are raised within five days on an official sales invoice which provides particulars of all charges to be made for work done, services rendered, or goods.
- 11.3 The Group Director of Finance & Resources shall be notified promptly of all money due to the Development Corporation and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money.
- 11.4 Any proposal to introduce charges or make changes to existing charges for the provision of services must be approved by the Group Director of Finance & Resources.
- 11.5 Any write off of unrecoverable debt should be in accordance with the write off criteria set by the Group Director of Finance Resources.

12. Ordering of and Payments for Works Goods and Services

- 12.1 Wherever possible a purchase order is required for all purchases of goods and services and these must be raised within the Development Corporation's financial system.
- 12.2 The Group must ensure that orders represent legitimate liabilities of the

Development Corporation, sufficient budgetary provision exists to cover the payment and expenditure is correctly coded.

- 12.3 All orders for goods and services must be made in accordance with the Development Corporation's Procurement Policy.
- 12.4 All purchase orders and payments must be approved as detailed in the Scheme of Delegation.
- 12.5 The Group have the responsibility to ensure that payments are made within the terms of the contract and legislative requirements.

13. Insurance & Risk Management

- 13.1 The Group Director of Finance & Resources shall be responsible for ensuring that all insurable risks of the Development Corporation are adequately covered, for maintaining the necessary records and for managing all claims on behalf of the Development Corporation.
- 13.2 The Group shall notify the Group Director of Finance & Resources promptly of all risks, liabilities, properties or vehicles which are required to be insured, and of any alterations affecting risk or insurances indicating the amount of cover required.
- 13.3 The on behalf of the Development Corporation, the Group Insurance & Risk Team shall immediately notify the Director of Finance & Resources of any fire, loss, accident or other event that may give rise to a claim against the Development Corporation's insurers.
- 13.4 Directors are responsible for ensuring that a register of significant risks is maintained, reported and monitored.

14. Internal Audit

- 14.1 The Group Director of Finance & Resources shall be responsible for maintaining an internal audit of all accounts and financial transactions of the Development Corporation, and shall satisfy himself/herself as to security arrangements for the custody and safeguarding of the Development Corporation's assets as laid down in any legislation applicable to the Development Corporation and any relevant codes of practice adopted by the Development Corporation.
- 14.2 The Group Director of Finance & Resources, or nominated individuals undertaking internal audit functions, shall have authority to all relevant

records of any Service, and shall be entitled to require the production property and to obtain information or explanations with regard to any matters under examination.

- 14.3 The Group shall notify the Group Director of Finance & Resources immediately of any circumstances which may suggest the possibility of irregularity or loss affecting the Development Corporation. Where the Group Director of Finance & Resources considers that an irregularity may have occurred, action shall be taken by way of an investigation and report.
- 14.4 Directors shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are implemented in a timely manner.
- 14.5 The Group Chief Executive and Group Director of Finance & Resources (the Statutory Officers), as outlined in clause 28 of the Development Corporation's Constitution, shall advise the Board when a Referral Decision may be required.
- 14.6 The Development Corporation shall maintain a register of significant risks which may lead to or constitute a Referral Decision (Clause 33 of the Constitution) and notify the Group Director of Finance & Resources at the earliest opportunity of changes to the risk profile of the Corporation which could have a material effect on the Corporation's or the Combined Authority's liabilities.

15. Arrangements with external—Organisations

- 15.1 The Group Director of Finance & Resources must be consulted prior to the establishment of any financial arrangements as part of partnerships or joint arrangements with external companies, other public organisations and community and voluntary groups. No partnership or joint arrangements shall be entered into without the approval of the Development Corporation.
- 15.2 Directors must confirm whether any arrangement requires the Development Corporation to be designated an 'Accountable Body'. Where this is the case, the Group Director of Finance & Resources must be consulted and approval of the Development Corporation must be obtained prior to the arrangement becoming operational.
- 15.3 The financial arrangements of all partnerships where the Development Corporation is the Accountable Body should meet the requirements of the Development Corporation's Financial Procedure Rules and Contract Procedure Rules.

Appendix V

SCHEME OF DELEGATIONS TO CHIEF OFFICERS

1. Introduction

This Scheme of Delegation has been adopted by the Board (meaning the members of the South Tees Development Corporation meet as such) and can only be altered by the Board.

The roles of Chief Executive Officer and Director of Finance and Resources of the Development Corporation are discharged by the Group Chief Executive Officer and Group Director of Finance and Resources respectively.

The scope of this Scheme of Delegation applies to the whole STDC Group where defined below: -

The delegated Authority of STDC group entities is administered via the respective Subscription and Shareholders Agreement(s) (SSHA). The decision-making powers are specifically set out within the matters reserved for Board decision within the SSHA agreement(s) those entities.

STDC Board approves, and/or delegates to its statutory officers in consultation with the Chair, the necessary matters reserved for Board and also the nomination of STDC Board representation on Group entities. STDC Board representatives are required to operate within the relevant arrangements established, and varied from time to time by Board approval, to enable the efficient and effective operation of STDC Group entities.

1.1 Chief Executive Officer (CEO)

The CEO shall fulfil the statutory role of Accounting Officer. The CEO is responsible for the corporate management and overall operational capacity of the Development Corporation, including the strategic management of all of the Development Corporation's staff.

The CEO is appointed the Proper Officer for the purpose of receiving a list of the Development Corporation's politically restricted posts.

The CEO cannot be the Monitoring Officer.

1.2. Monitoring Officer

Under the provisions of s7 of the Tees Valley Combined Authority (Functions) Order 2017, the designation and reports of the Monitoring Officer to the Combined Authority (the Monitoring Officer) shall apply as if the Corporation were a Committee to the Combined Authority. The Monitoring Officer will be responsible for promoting and maintaining high standards of conduct. The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration and probity to all Members and provide a comprehensive service to the

Development Corporation Board.

The Monitoring Officer to the Development Corporation is appointed the Proper Officer in relation to the following functions under the Local Government Act 1972:

- a) Determination of those reports which should be available for public inspection prior to a meeting of the Development Corporation Board, the Audit and **Risk Governance** Committee and any other of the Development Corporation and those which are likely to be heard in private and consequently which should not be released to the public (section 100B (2)).
- b) Provision of documents to the press, additional to committee reports (section 100B(7)).
- c) Preparing written summaries of proceedings (section 100C (2)).
- d) Making arrangements for lists of background papers to reports to be compiled, and for copies of documents on those lists to be made available for public inspection (section 100D (1))
- e) Advising on what may or may not be a background paper for the purposes of reports which are open to public inspection (section 100D (5))
- f) Determination of documents disclosing exempt information which may not be inspected by Members (section 100F(2)).
- g) Signature or authentication of Summonses to the Development Corporation Board (paragraph 4 (1A) (b) of Schedule 12).
- h) Declaration and Certificates with regard to securities (section 146 (1)(a) and(b)).
- i) Deposit of documents (section 225 (1)).
- j) Certifications of photographic copies of documents (section 229 (5)).
- k) Issuing and signing of formal notices (section 234 (1) and (2)).

The Monitoring Officer is also appointed the Proper Officer for the following purposes: -

- l) Certification of copies of resolutions, minutes, other documents.
- ~~m) Exceptions to the overview and scrutiny and publicity requirements relating to key decisions (the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.~~

The Monitoring Officer will maintain an up to date Register of Member's interests and an up to date version of the Constitution and will ensure that it is widely available for consideration by Members, officers and the public.

The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct and be responsible for the receipt and acknowledgement of complaints of failure by a Member of the Development Corporation to comply with the Members Code of Conduct.

The Monitoring Officer cannot be the Group Chief Executive Officer or the Director of Finance & Resources.

1.1 Group Director of Finance & Resources

The Group Director of Finance & Resources has responsibility for ensuring lawfulness and financial prudence of decision making. The Director of Finance & Resources is appointed Proper Officer in relation to the following:

- a) receipt of money due from officers (Local Government Act 1972, section 115 (2));and
- b) proper administration of the financial affairs of the Development Corporation.

The Director of Finance & Resources will provide advice and guidance to all Members on financial impropriety and budgetary issues and will report to the Development Corporation regarding any proposal, decision or course of action that will involve incurring unlawful expenditure, or that is unlawful and is likely to cause a loss or deficiency on the part of the Development Corporation (including all entities within the Development Corporation Group), or if the Development Corporation, or any of its Group entities, is about to enter an item of account unlawfully.

1.2 ~~Engineering & Programme Director~~Chief Operating Officer

The role of the ~~Engineering & Programme Director~~ Chief Operating Officer is commercially focused to lead on the complex regeneration of the South Tees Mayoral Development Corporation area. The ~~Engineering & Programme Director~~Chief Operating Officer will develop, implement and deliver a comprehensive programme management approach that meets the current and future needs of the organisation. The ~~Engineering & Programme Director~~Chief Operating Officer will provide expert professional leadership and advice to the CEO, senior colleagues and all Members whilst leading the internal and external multi-disciplinary teams and ensuring the programme is commercially focused and protected.

1.3 General

All officers in whose name reports are submitted to the Development Corporation Board, the Audit & Risk Governance Committee and any workstream established by the Board, shall submit such reports via the Monitoring Officer for:

- a) Compilation and retention of lists of background papers and copies of the relevant documents and reports.
- b) Identifying and determining what are background papers.

2. Scheme of Delegation of Functions to Chief Officers

2.1 Section 101 of the Local Government Act 1972 enables the Development Corporation to delegate the discharge of any of its functions to its officers.

2.2 Section 107D of the Local Democracy, Economic Development and Construction Act 2009 enables the Mayor to arrange for an officer of the Development Corporation to exercise any functions exercisable by the Mayor.

2.3 This part of the Constitution specifies those powers of the Development Corporation and the Mayor which, for the time being, are exercisable from time to time by officers of the Development Corporation, and stating the title of the officer in question by whom the powers are exercisable.

2.4 Chief Officers in the context of this Constitution mean the Group Chief Executive Officer, the Group Director of Finance & Resources, the Engineering & Programme Director and the Monitoring Officer.

2.5 The delegated powers of Chief Officers set out in this Scheme may be exercised by other officers authorised by the Chief Officer with the delegated power to act on their behalf and in their name, provided that appropriate administrative procedures are in place to record the authorisation and monitor decisions taken.

2.6 The exercise of delegated powers by officers is required to be in accordance with and subject to:

- a) Statute or other legal requirements, including the principles of public law, the Human Rights Act 1998, statutory guidance and statutory codes of practice;
- b) this Constitution, the Development Corporation Board's Rules of Procedure and Financial Regulations currently in force;
- c) the revenue and capital budgets of the Development Corporation, subject to any variation thereof which is permitted by the Corporation's Financial Regulations; and
- d) any policy or direction of the Development Corporation Board, the Audit & [Risk Governance](#) Committee and any workstream established by the Board acting in exercise of the powers delegated to it by the Development Corporation.

2.7 Officers may **not** exercise delegated powers where:

- a) the matter is reserved to the Development Corporation Board, or the Mayor, and is to be exercisable only by them, by law or by this Constitution
- b) the matter is a function which cannot by law be discharged by an officer;
- c) the Development Corporation Board, or a committee, sub-committee or joint committee to which the Development Corporation is a party, has determined that the matter should be discharged otherwise than by an officer.

2.8 Where in relation to an item before the Development Corporation Board, Audit & [Risk Governance](#) Committee and any workstream established by the Board, a Chief Officer is given specific authority to determine a particular matter, the officer should ensure that there is an appropriate audit trail to evidence such a determination.

2.9 Any reference in this Scheme of Delegation to any enactment shall include a reference to any amendment or re-enactment of the same.

3. General Delegations to all Chief Officers (unless otherwise stated)

GD1 The day to day routine management, supervision and control of services provided for the Development Corporation by staff under its control in accordance with the Rules of Procedure and Financial Regulations of the Development Corporation.

Contracts and Accounts

GD2 The disposal of surplus or obsolete equipment to the person submitting the highest quotation up to a limit of £10,000 in value.

GD3 The acceptance of the best value tender or quotation (in consultation with Group Chief Executive Officer and Group Director of Finance and Resources):

- a) For the supply of goods, materials or services for which financial provision has been made in the Development Corporation's Budget and that do not exceed £1,000,000, and
- b) For building and civil engineering works for which financial provision has been made in the Development Corporation's Budget and that do not exceed £10,000,000

~~GD4~~ The invitation of quotations for contracts for the supply of goods, materials or services from at least three persons, subject to financial provision having been made in the Revenue or Capital Budget of the Development Corporation.

~~GD5~~ The invitation of quotations for contracts for the execution of works from at least three persons, subject to financial provision having been made in the Revenue or Capital Budget of the Development Corporation.

~~GD6~~ The provision of services or the purchase of materials or minor items of equipment for which provision has been made in the revenue estimates.

4. Delegations to the Group Chief Executive Officer

- CEO1 To discharge the functions of the Group Chief Executive Officer in relation to the Development Corporation.
- CEO2 To engage officers on behalf of the Development Corporation in order to coordinate and carry out its functions.
- CEO3 To discharge any function of the Development Corporation which has not been specifically delegated to another officer or reserved to the Development Corporation Board or Audit & Risk Governance Committee whether by law or by this Constitution.
- CEO4 To take all action which is necessary or required in relation to the exercise of any of the Development Corporation's functions or the functions of the Mayor (other than those functions which by law can be exercised only by the Development Corporation or by the Mayor), having regard to the Development Corporation's or Mayor's approved plans, policies or strategies and the Development Corporation's budget, and all enabling legislation.
- CEO5 Take any action which is necessary or required as a matter of urgency in the interests of the Development Corporation, in consultation (where practicable) with the Chair of the Development Corporation Board, the Monitoring Officer, the Group Director of Finance & Resources and the Chief Operating Officer-Engineering & Programme Director.
- CEO6 Nominate, appoint and remove, in consultation with the Chair of the Development Corporation Board, Development Corporation representatives on the board of companies, trusts and other bodies, and to agree constitutional arrangements for such companies, trusts and other bodies, and give any necessary consent required within their relevant constitutions.
- CEO7 To authorise any named officer of the Development Corporation to exercise functions delegated to the Group Chief Executive Officer
- ~~CEO8 Authentication of documents and the use of the corporate seal, following appropriate consultation with the Monitoring Officer and Chair of the Board~~

5. Delegations to the Group Director of Finance & Resources

- DoFR1 To effect the proper administration of the Development Corporation's financial affairs particularly in relation to financial advice, procedures, records and accounting systems, internal audit and financial control generally.

- DoFR2 After consulting, so far as practicable with the Group Chief Executive Officer, the ~~Engineering & Programme Director and the Monitoring Officer~~Monitoring Officer and the Chief Operating Officer, to report to the Development Corporation Board if it appears to him/her that a decision has been made, or is about to be made which involves or would involve the Development Corporation incurring unlawful expenditure, or that a course of action has been taken or is about to be taken which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Corporation, or that an item of account is about to be made which is unlawful. Such a report will have the effect of prohibiting the proposal, decision or other action being implemented until the report has been considered.
- DoFR3 The taking of all action required on borrowing, investment and financing subject to the submission to the Development Corporation Board of an annual report of the Group Director of Finance & Resources on Treasury Management activities at six-monthly intervals in accordance with CIPFA's Code of Practice for Treasury Management and Prudential Codes.
- DoFR4 To effect all insurance cover required in connection with the business of the Development Corporation and to settle all claims under such insurances arranged for the Development Corporation's benefit.
- DoFR5 To discharge the functions of the Development Corporation under the Accounts and Audit (England) Regulations 2015 (with the exception of Regulations 6(2), 9(2) and 20(1)).
- DoFR6 To be the officer nominated, or to nominate in writing another officer, as the person to receive disclosures of suspicious transactions for the purposes of the Proceeds of Crime Act 2002 and any Regulations made thereunder.
- DoFR7 To exercise the responsibilities assigned to the Group Director of Finance & Resources in the Development Corporation's financial arrangements and procedures and in its Procurement Policy.
- DoFR8 To authorise any named Officer of the Development Corporation to exercise functions delegated to the Group Director of Finance & Resources, including the functions of a consultee in relation to the exercise of an Officer's delegated powers.

6. Delegations to the ~~Engineering & Programme Director~~Chief Operating Officer

- EPD1 To effect the proper administration of the Development Corporation's operational affairs particularly in relation to the regeneration programme, its projects, procurement, risk, recruitment and learning and development.

~~South Tees Development Corporation~~

EPD2 To authorise any named Officer of the Development Corporation to exercise functions delegated to the ~~Engineering & Programme Director~~Chief Operating Officer, including the functions of a consultee in relation to the exercise of an Officer's delegated powers.

7. Delegations to the Monitoring Officer

MO1 The Monitoring Officer is authorised to:

- a) institute, prosecute, defend, withdraw, conduct, settle or appeal any administrative action and/or any legal proceedings on behalf of the Development Corporation;
- b) negotiate, issue, conclude and/or sign or execute any notice, document or agreement in any case where such action will facilitate, or be conducive or incidental to the carrying out of any decisions of the Development Corporation Board; or in any case where the Monitoring Officer considers that such action is necessary to protect the Development Corporation's interests, or to further or achieve the objectives of the Development Corporation; and
- c) settle or otherwise compromise any such administrative action or legal proceedings if they have been commenced or there are reasonable grounds for believing such actions or proceedings may be contemplated.

MO2 Authentication of documents and the use of the corporate seal.

MO3 After consulting, so far as practicable, with the Group Chief Executive Officer, Group Director of Finance & Resources and the ~~Engineering & Programme Director~~Chief Operating Officer, the Monitoring Officer will report to the Development Corporation Board if he/she considers that any proposal, decision or omission has given rise to or is likely to or would give rise to a contravention of any enactment or rule of law or any maladministration or failure as determined following an investigation by the Local Government Ombudsman. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

MO4 To accept on behalf of the Development Corporation Board in-year changes to the membership of the Audit & ~~Risk~~Governance Committee and other workstreams established by the Board.

MO5 To make minor changes to the Constitution and its associated documents in order to reflect organisational or legislative change when the power remains unaltered.

MO6 To make any textual or grammatical corrections to the Constitution and its associated documents.

MO7 Authentication of documents and the use of the corporate seal..

Supporting the Standards Regime

- MO7 To receive and acknowledge complaints of failure to comply with the Members' Code of Conduct under the Development Corporation's adopted local standards arrangements.
- MO8 To review complaints received in respect of any alleged breach by a Member of the Code of Conduct for Members and to act in accordance with the Development Corporation's adopted local arrangements.
- MO9 The Monitoring Officer will, where considered appropriate, either conduct or arrange for investigations to be conducted into alleged breaches of the Members' Code of Conduct referred to him/her.
- M10 The Monitoring Officer will undertake informal resolution of such complaints in accordance with the Development Corporation's adopted local arrangements.
- M11 To authorise any named Officer of the Development Corporation to exercise functions delegated to the Monitoring Officer, including the functions of a consultee in relation to the exercise of an Officer's delegated powers.

AGENDA ITEM 7

REPORT TO THE STDC BOARD

21ST SEPTEMBER 2023

REPORT OF DIRECTOR OF FINANCE AND RESOURCES

FINANCE UPDATE

SUMMARY

The purpose of this paper is to update the Board on financial performance for 2023/24 against budget and the forecast position for remainder of 2023/24.

RECOMMENDATIONS

It is recommended that the Board notes the content of this report.

FINANCIAL PERFORMANCE STDC GROUP 2023/2024

1. The financial information below for STDC, STDL and STSC covers:
 - Actual financial performance for quarter one 2023/24; and
 - Forecast financial position for the remainder of 2023/24.

ACTUAL FINANCIAL PERFORMANCE: GROUP

2. The table below shows the actual financial performance for quarter one 2023/24.

Table 1

	23/24 Budget	23/24 Forecast	23/24 Variance	Q1 Spend	Q1 Spend as a % of total forecast spend for 2023/24
	£'000	£'000	£'000	£'000	
Overheads	937	1,934	997	659	70%
Operating Costs	937	1,934	997	659	70%
Demolition	17,352	17,352	0	9,882	57%
Site Preparation and Infrastructure	52,065	52,065	0	5,048	10%
Enabling Studies and Other	2,734	2,734	0	676	25%
Quay	22,855	22,855	0	10,939	48%
Project Expenditure	95,006	95,006	0	26,545	28%
Ex SSI Costs	1,762	1,762	0	642	36%
Net Expenditure	97,705	98,702	997	27,846	29%
Funded By					
Quay Borrowing	9,469	9,469	0	7,523	79%
Other	88,236	89,233	997	20,323	23%
Total	97,705	98,702	997	27,846	29%

3. The financial performance for 3 months to 30 June 2023 shows a delivered spend of £27.8m being 29% of forecast total spend for 2023/24.

Delivery continues to be accelerated and significantly ahead of the original plan.

4. Project expenditure

The Project expenditure shows accelerated demolition and infrastructure activity to reflect current priorities. This has led to expenditure in this area of £343.1m to date of which £26.5m was incurred in quarter 1 2023/24.

Prioritisation of tax site locations on Teesworks West and East and the development of SeAH site and South Bank Quay continue at pace to meet incoming tenant requirements.

5. The main areas of spend in Q1 were:

- **South Bank Quay** – South Bank Quay – Total spend on the Quay to date is £99.8m, of which £10.9m was in Q1. Expenditure has occurred on design works for the onshore electrical power, firefighting installations, water suppliers and the design works for the workshops and Quay office buildings.
- **Site preparation and infrastructure** – Total spend to date is £98.4m of which £5m occurred in Q1. Expenditure has occurred during the year on the South Bank Watercourse Phase 1 (adjacent to the SeAH site), comprising 650 liner metres which has now completed. Other infrastructure expenditure was on the South Bank Link Road, which is progressing.
- **Demolition** – Total expenditure on demolition reached £93.2m, with site-wide progress being achieved. Demolition of the South Bank Coke Ovens, Redcar Coke Ovens Battery, Redcar Sinter Plant, BOS Plant and demolition work on the Redcar Coke Ovens By-Products plant are complete. The programme overall is 99% complete.
- **Land acquisition costs** – Land acquisition costs have predominantly completed following the Compulsory Purchase Order (CPO) vesting process. This has delivered within the previous forecast level.
- **Overheads** – Overheads incurred an overspend as demolition and remediation activity finalises. The complexity of the demolition of the Coke Ovens By-Products plants resulted in additional overheads for sector experts. The products are in the process of being safely disposed of and this will take a few more weeks. The completion of this work will allow for a formal application to HSE to be submitted to declassify the site and remove the COMAH status.

6. **Financial commitments pipeline** – Since the previous meeting we can report successful procurement of phase 2 of the South Bank Link Road.

7. **Site company expenditure** – Expenditure for electricity is in line with forecast. The market continues to be volatile, and we are continuously working with our provider to forecast the future costs. Support and costs were incurred in relation to supporting the demolition of the Redcar Coke Ovens.

TOTAL EXPECTED OUTTURN FOR 2022/23

8. The table above shows the forecast spend for 2023/24 of £98.7m, with £70.9m forecast to occur in Q2-Q4. A budget outlining the overall spend over the life of the project was presented at the previous board. As the development has progressed, the scope of works has been updated to include emerging priorities that enhance the site for future tenants and have been deemed as financially beneficial to progress during the current development programme.
9. Expenditure is forecast to be incurred on the following main areas:
 - a) Final expenditure on the South Bank Link Road, forecasting to complete in November 2023
 - b) South Bank Watercourse Phase 2 being a further 500 linear meters, with the contractor appointed
 - c) Teesworks Park and Ride construction works
 - d) Utilities construction works at the South Bank Quay
10. The forecast has been updated to reflect the overspend on overheads which occurred.
11. The forecast expenditure is fully funded through a mixture of grant funding, borrowing and income.

2023/23 OPERATING COSTS

12. STDC continues the transitioning from the legacy “keep safe” focus activity, following the departure of SSI from the site, to a more progressive estate management arrangement that supports the various existing and planned tenants on site, providing professional services across a range of activities.
13. The estate management operating expenditure incorporates all general operating costs across the site to ensure a secure and well-maintained development is provided for all current and prospective tenants. Elements of this expenditure will be recharged via an annual service charge to tenants. However in the short-term, until tenancy levels rise, these outlays will be financed from income received and retained during the development period.
14. The below table sets out the operational expenditure against budget for quarter one 2023/24.

Table 2

	Q1 Spend £'000	Q1 Spend as a % of total forecast spend for 2023/24	23/24 Budget £'000	23/24 Forecast £'000	23/24 Variance £'000
Estate Management Costs	1,172	21%	5,542	5,542	0
Costs of Finance	-	0%	6,996	6,754	-242
Total Expenditure	1,172	0	12,538	12,296	-242
<u>Funded Utilised in period</u>					
Site Income	-	-	641	864	223
Other Retained Income	1,172	10%	11,897	11,432	-465
Total	1,172		12,538	12,296	-242

15. The site income increase of £223K forecast is due to additional rental income expected, that was not originally budgeted.

FINANCIAL IMPLICATIONS

16. Financial implications are discussed in the body of this report.

LEGAL IMPLICATIONS

17. There are no legal implications associated with the recommendations of this report.

RISK ASSESSMENT

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

EQUALITY AND DIVERSITY

19. There are no impacts of equality and diversity related to this report.

Name of Contact Officer: Gary Macdonald
Post Title: Group Director of Finance and Resources
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Email Address: Gary.Macdonald@teesvalley-ca.gov.uk

Under the terms of paragraph 3 of schedule 12a Local Government Act 1972, this report and appendix are not for publication.

AGENDA ITEM 8

REPORT TO THE STDC BOARD

21ST SEPTEMBER 2023

REPORT OF ENVIRONMENTAL HEALTH SAFETY & SECURITY DIRECTOR

Environment, Health & Safety Report

SUMMARY

The purpose of this paper is to provide an update to STDC board on the key EHS activities in relation works currently being undertaken.

RECOMMENDATIONS

It is recommended that the STDC Board notes the content of this report for clarity of performance and awareness of legislative requirements.

DETAIL

1. Environment, Health & Safety Report (EHS) for period 1st April to 15th July 2023.
 - EHS Performance (KPIs)
 - COMAH Update (Status / Inventory Progress.
 - Regulatory Update (HSE – CA / Construction, EA)
 - EHS Function (Work streams)
 - Demolition
 - Remediation
 - Construction
 - STSC / Teesworks Support
 - External Support – TVCA (TIA) / Darlington Gateway Construction (CDM support)

EHS

In the period 17 adverse events and incidents of note were recorded, significant events as follows. Appendix “A” – Visual Performance - leading / lagging indicators.

- Wagon containing scaffold shed its load while re positioning.
- Evidence of corrosion discovered on drums containing COGM solids.

- Explosive demolition failure, RCO ammonia stack. This is a notifiable event under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) as a “Dangerous Occurrence”.
- Fire at RPS during Gas Holder demolition enabling works resulted in injuries to worker, HSE Investigation ongoing. Accident reported as a RIDDOR “Specified Injury”.
- Fire at Scrap handling – Metal Fire (Titanium tubes)

All incidents are investigated with appropriate actions taken to help minimize potential recurrence, this is supported by a monthly EHS peer review for more significant events to identify learnings and agree corrective actions and shared learnings across Site.

Audits / Inspections undertaken by EHS team currently 573 year to date, Appendix “B”.

COMAH update:

Formal letter submitted to HSE (Competent Authority (CA) - COMAH) relating to intent to declassify COMAH status, this was followed by formal meetings to confirm existing status and proposals to declassify based on substances currently in storage on site. HSE CA confirmed stance that COMAH status will remain until categories of hazardous substances are in line with COMAH 2015 (Schedule 1) requirements.

Current estimated site totals are:

- **P7 Pyrophoric** (Coke Oven Gas Main Deposits): 286t: above Upper Tier qualifying limit of 200t (Lower Tier 50t)
- **E2 Hazardous** to the Aquatic Environment (Benzole Absorbing Oil/Creosote & Coal Tar): 1584t above Upper Tier qualifying limit of 500t (Lower Tier 200t).

Currently Teesworks in its entirety is still classified as an “Upper Tier” COMAH facility and it is expected that all regulatory requirements will be complied with in full.

Removal of COMAH inventory materials is progressing with fluctuations in removal of stored materials noted. Predictions are based on current rate of quantities being removed; it is estimated that COMAH declassification levels will be reached between Q3 & Q4 2023.

Regulatory Update:

HSE (CA), formal meetings held in relation to COMAH status and to advise of senior leadership changes, current Principal Inspector (PI) leaving at end of July, new PI introduced with update on COMAH aspects given in relation to Teesworks activities and programs of work.

HSE Construction / CA investigation ongoing into RIDDOR reportable accident (7th June 2023) at Redcar Power Station RBF Gas Holder. Demolition operative sustained fractures and burns due to an event resulting in a fire at height (3m+) within a Mobile Elevated Work Platform (MEWP).

HSE Construction (Exp Demolition) PI involved in review of RIDDOR Dangerous Occurrence (DO) due to “The failure of shots to cause the intended extent of collapse”.

Environment Agency key items:

- Monthly meetings held, no issues to report, dialogue open on all matters.
- Permit transfer of CLE31 landfill from Tata Steel to Teesworks.
- Report received from EA regarding oil on the River Tees. Investigated on and offsite and not attributed to Teesworks or MGT.
- Four replacement boreholes installed at High Tip.
- Multiple ecology items, bird nesting / giant hog weed.

EHS Function

Reduction in EHS team workforce through voluntary redundancy x1 and redundancy selection x1, temporary 3-month extension of contract agreed to retain 1 number. Discussions ongoing in respect to EHS support and alignment within the STSC / STDC / Teesworks & TemCo structures.

EHS team workload includes continued demolition support through HAZIDs / HAZDEMs, Remediation support, Teesworks general activities and construction activities. As well as general Risk Assessment and Method Statement (RAMS) reviews, accident / incident investigations, Legionella inspections, environmental monitoring and liaison with regulators (HSE / EA and emergency services working groups i.e. CEPUs)

External support being provided by senior EHS management to TCVA (@TIA), Darlington Gateway and TIA South Side Development.

FINANCIAL IMPLICATIONS

2. EHS staffing alignment and costings to be established.
3. Ongoing “Fees For Intervention” (FFI) costs aligned with HSE investigations and general inspection costs, figure are unknown until receipt of HSE invoices.

LEGAL IMPLICATIONS

4. Ongoing investigation into the 2019 fatal accident at South Bank Ammonia Washers, HSE investigation recommendations submitted to CPS for consideration, awaiting response as to any legal action resulting from the CPS review.
5. HSE investigation ongoing in respect to a fire and injuries to a demolition operative that occurred on the 7th June 2023 at the Redcar Power Station (RBF Gas Holder) project. Accident reportable as a specified injury (Fractures) under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). Potential for enforcement action resulting from the investigation.

RISK ASSESSMENT

6. Risks associated with current work activities are in relation to legislative compliance for two main sets of regulations these are:

- a. COMAH – COMAH Operator responsibilities and potential breaches of COMAH regulations.
- b. CDM – Breaches of client duty holder responsibilities as well as direct CDM duty holder responsibilities for direct works as Principal Contractor / Principal Designer.
- c. General Health & Safety compliance for Teesworks site management operations.
- d. Environmental Legislative compliance – Permits for Landfills, consents (Discharge W3 Outfall) and general Environmental controls (Noise / dust / pollution).

CONSULTATION & COMMUNICATION

- 7. General redacted information from this report contained in subgroup reports and ESH contractor’s forum presentations.

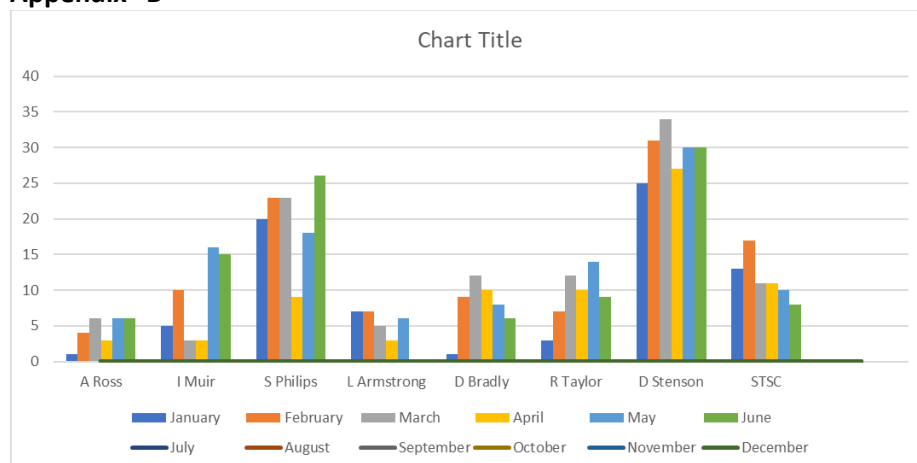
EQUALITY & DIVERSITY

- 8. No information within this report anticipated to have an impact on groups of people with protected characteristics.

Appendix “A”



Appendix “B”



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