

**Date:** Wednesday 27<sup>th</sup> January 2021, at 2.00pm

**Venue:** Microsoft Teams meeting

**Membership:**

Mayor Ben Houchen (Tees Valley Mayor)  
Paul Booth OBE (Chair, Tees Valley Local Enterprise Partnership)  
Cllr Mary Lanigan (Leader, Redcar & Cleveland Borough Council)  
Mayor Andy Preston (Mayor of Middlesbrough)  
Sir Alan Cockshaw (Independent Member)  
Steve Gibson OBE (Independent Member)  
Graham Robb (Independent Member)  
David Smith (Independent Member)  
Jacob Young MP (Independent Member)  
Julie Gilhespie (Group Chief Executive TVCA, STDC)

**Associate Membership:**

Tom Smyth (BEIS)  
John Sampson (MD, Redcar & Cleveland Council)

## **Agenda**

**1. Welcome & Introductions**

**2. Apologies for Absence**

**3. Declarations of Interest**

**4. Minutes from previous meeting**

Attached

**5. Chair's Update**

Verbal Update

**6. Group Chief Executive's Update**

Attached

**7. Governance & Appointments**

Attached

**8. Finance Update**

Attached

**9. Heritage Taskforce Report**

Attached

**10. Site EHS Management Update**

*This item is not for publication by virtue of paragraph 3 of schedule 12A of the Local Government Act 1972*

**11. Electricity Infrastructure JV Procurement Update**

*This item is not for publication by virtue of paragraph 3 of schedule 12A of the Local Government Act 1972*

## 12. Date and Time of Next Meeting

TBC

### **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: Sharon Jones, Governance & Scrutiny Officer, [Sharon.jones@teesvalley-ca.gov.uk](mailto:Sharon.jones@teesvalley-ca.gov.uk). 01642524580.

## **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: 25<sup>th</sup> November 2020

Time: 2 pm

### TEAMS Meeting

<b>Attendees:</b>		<b>Apologies:</b>
Ben Houchen (Chair)	Tees Valley Mayor	Andy Preston, Mayor of Middlesbrough
Paul Booth	TV LEP	Steve Gibson, Bulkhaul Ltd
Graham Robb	Recognition PR	
Sir Alan Cockshaw	Independent Member	
Mary Lanigan	Redcar & Cleveland BC	
Jacob Young	Member of Parliament	
David Smith	Energy Networks UK	
Tom Smyth	BEIS, Interim Government Representative	
John Sampson	Redcar & Cleveland BC	
Julie Gilhespie	TVCA, STDC Group	
Gary MacDonald	TVCA, STDC Group	
John McNicholas	STDC	
Mike Russell	STDC	
Nolan Gray	STDC	
Ged Armstrong	STDC	
Chris Harrison	Joint Venture Partner	
Peter Judge	TVCA	
Sharon Jones (Secretariat)	TVCA	

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
1.	<b>Welcome and introductions</b>	The Chair welcomed everyone to the meeting.		
2.	<b>Apologies for Absence</b>	Apologies were given as noted above		
3.	<b>Declarations of Interest</b>	There are no declarations of Interest		
4.	<b>Minutes of previous meetings</b>	The minutes of the meeting held on 30 <sup>th</sup> September 2020 were agreed as a true record.		
5.	<b>Chair's Update</b>	The Chair thanked Officers and Council Leaders for their work on the planning application that has been submitted this month for the new quay.		
6.	<b>Group CEO Update</b>	<p>A report was circulated from the Group CEO providing an update on key activity within STDC since the last meeting.</p> <p>It was noted that significant progress has been made on site in the last few months. Once site visits are allowed again it will be worth Board members visiting to see this for themselves.</p> <p><b>Resolved</b> that the content of the report be noted.</p>		

7.	<b>Governance &amp; Appointments</b>	<p>A report was circulated detailing changes to membership of committees of STDC since the last meeting.</p> <p><b>Resolved</b> that the appointments within the report be approved</p>		
8.	<b>Governance arrangements update</b>	<p>A paper was circulated providing proposed governance arrangements following the transition of STSC into the group.</p> <p><b>Resolved</b> that the recommendations within the report be approved.</p>		
9.	<b>Annual Financial Statements</b>	<p>A report was circulated detailing the latest draft financial statements for the group for 2019/2020.</p> <p><b>Resolved</b> that the recommendations within the report be approved.</p>		
10.	<b>Finance and Medium term plan update</b>	<p>A report was provided detailing a finance and medium term plan update.</p> <p>It was noted that recommendation 3 within the report should read £79m. A decimal point has been added in error.</p> <p>£60m of funding has been committed this year, that is an increase from the original figure of £40m.</p> <p>The figure provided for advance rentals is a tangible figure based on the early stage of commercial negotiations. It is based on knowns rather than unknowns.</p> <p><b>Resolved</b> that the recommendations within the report be approved.</p>		

11.	South Bank Wharf	<p><b>The Chair proposed and Board agreed to pass a resolution to exclude the press and public under paragraph 3 of part 1 of schedule 12a of the Local Government Act 1972, in order to allow Board to consider matters of a commercially confidential nature.</b></p> <p>A paper was circulated detailing the commercial investment proposal in respect of South Bank Wharf Quay.</p> <p><b>Resolved</b> that the recommendations within the report be approved.</p>		
12	Site Management Update	<p>A report was circulated providing an update on site management, including environment and health and safety issues.</p> <p>This report is provided for every STSC Board, but it is important that Members of DC Board have sight of this also. This will be a high level report provided for every future Board meeting. It is marked confidential due to the nature of the content.</p> <p><b>Resolved</b> that the content of the report be noted.</p>		
13.	Electricity Infrastructure JV Procurement Update	<p>A report was circulated detailing a proposed joint venture partnership for electrical infrastructure on site.</p> <p>Due to the late circulation of the paper, due to the completion of the formal procurement process being in close proximity to the Board meeting, a presentation was delivered covering the detail within the report.</p> <p><b>Resolved</b> that an appointment is not agreed at this stage but authority is delegated to the Chair, in consultation with statutory officers, to determine an appointment subject to further information being provided and subsequently approved by the Board either via written resolution or at the next Board meeting in January.</p>		

12.	<b>Date &amp; Time of Next Meeting</b>	<b>January 2021</b>		

## AGENDA ITEM 6

### REPORT TO THE STDC BOARD

27th JANUARY 2021

### REPORT OF THE GROUP CHIEF EXECUTIVE

#### GROUP CHIEF EXECUTIVE UPDATE

##### SUMMARY

The purpose of this paper is to provide an update to the Board on the key activity within STDC since the last meeting.

##### RECOMMENDATIONS

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

##### ORGANISATIONAL DEVELOPMENTS

1. Ongoing emphasis has been given to developing proposals for a new Quay on the South Bank area of the site following approval of an internal business case in relation to the development of the Quay by STDC Board on 25th November.
2. Progress has also continued in relation to the High voltage joint venture with confirmation of the preferred bidder and the commencement of detailed discussions around structuring and commercial arrangements.

##### COMMERCIAL

3. An application was made to the Offshore Wind Manufacturing Investment Scheme to support the proposed South Bank development.
4. Several significant projects are continuing through commercial negotiation with Teesworks facilitating site inspections and ground investigation work.
  - Teesworks continues to support the Local Authorities' waste project team in its preparation for the latter stages of its procurement processes. Discussions are ongoing regarding utilities connections, road layout, ecology off-set and ground remediation;
  - Discussions continue in respect of the South Bank and a cluster for offshore wind.
  - Managed recovery and reuse or sale of materials from site.

5. Electrical Infrastructure JV Procurement Process - Following the completion of the bid evaluation exercise, the team notified ENWEQ of its selection as preferred bidder. Workstream meetings with ENWEQ's team are in diaries throughout January to move forward with the finalisation of the joint venture, delivery and contractual arrangements on the basis of the bid as evaluated, and they are carrying out some site visits to finalise their due diligence on the HV assets. Subject to that work we are projecting financial close to be end Feb 2021.

The team also notified the unsuccessful bidders of the result of the evaluation and fed back on their scoring, as required by the procurement regulations. The standstill period has expired without any unsuccessful bidder representations.

The finalisation of the joint venture documentation was delegated to the STDC Chair and the Group Chief Executive at the Board meeting in November 2020. The Board will receive a further update report at its next meeting

## PROGRAMME DEVELOPMENT

### 6. Dorman Point (150-acre site)

- Eston Road Highway Access Scheme (new roundabout)
  - (a) Preliminary construction activities: 75% complete.
  - (b) Main works construction start date: February/March 2021.
  - (c) Programmed completion: September 2021.
- Site Preparation and Ground Remediation Works, Phase 1 (40 acres, western zone of site)
  - (a) Construction progress: 35% complete
  - (b) Programmed completion: Jun-21.
- Site Preparation and Ground Remediation Works, Phase 2 (50 acres, eastern zone of site)
  - (a) Construction progress: 10% complete
  - (b) Programmed completion: Aug-21.
- Site Preparation and Ground Remediation Works, Phase 3 (30 acres, central zone of site)
  - (a) Works scheduled for later in 2021 – dates to be determined.
- Site Preparation and Ground Remediation Works – Phase 4 (30 acres – former SSI land)
  - (a) Works scheduled for later in programme – dates to be determined, but a start in 2021 is likely.

### 7. Metals Recovery Area (50-acre site)

- Site Preparation and Ground Remediation Works
  - (a) Materials Management Plan successfully secured with the Environment Agency

- (b) Construction progress: 50% complete
- (c) Programmed completion: Mar-21.

## 8. South Bank

- South Bank Quay (Phase1 (450 linear metres) and Phase 2 (600 linear metres))
  - (a) Overwater ground investigations: site works complete, analysis and reporting ongoing, due for completion in Feb-21.
  - (b) Marine Works License applications submitted - ongoing.
  - (c) Application for Planning Permission submitted - ongoing.
  - (d) Development of the contract strategy for delivery of Phase 1 is ongoing, with the procurement process for the appointment of a Design & Build contractor to commence during Q1 2021.
  - (e) The plan is to commence Phase 1 construction as early as Aug/Sep 2021, with completion scheduled between Dec-22 and Mar-23.
- Landside Works
  - (a) Phase 1 (c. 100 acres, upstream land area) – advance site clearance works complete.
  - (b) Phase 1 main site preparation and ground remediation works – scheduled for commencement in Q1 2021.
  - (c) Phase 2 (c. 80 acres, downstream land area (Tarmac site)) – main site preparation and ground remediation works scheduled for commencement in May 2021, focusing on the area in close proximity to the new quay, to have this completed ahead of quay construction.

## 9. Demolition Works

- Package 1 – Various Buildings, Prairie Site
  - (a) Works ongoing – completion will be achieved during Q1 2021.
- Package 2 – Heavy Fuel Oil (HFO) Tank Farm and Buildings at South Bank
  - (a) HFO Tank Farm: 85% complete.
  - (b) Buildings at South Bank: 90% complete.
  - (c) Programmed completion: end-Feb-21 latest.
- Package 3 – Various SSI Assets, Advance Demolitions
  - (a) Torpedo Ladle Repair Shop Complex (Dorman Point): this project will commence in February 2021 and is scheduled for completion by early June.
  - (b) The Foundry (Redcar site) – Coal Handling Facility, RDL Stores, Tube City, various conveyors: projects due to commence in Q1 2021 and be complete during May 2021.
  - (c) South Bank Gas Holder: demolition planned for summer 2021, subject to completion of Ammonia Washers demolition project and similar for Benzole Washers facility at South Bank Coke Ovens.
  - (d) Programmed completion: August 2021.
- Package 4 – Primary Demolition Programme Demolition Contractors Framework
  - (a) Procurement of the Demolition Contractors Framework is ongoing and will conclude by the end of March 2021.

- (b) The Framework will address the majority of the demolition projects across the site, including all of the large-scale, complex facilities, such as: Redcar Blast Furnace; Redcar Coke Ovens; the Sinter Plant; Lackenby Steelmaking Complex (BOS/CONCAST); and South Bank Coke Ovens.
- (c) Work is ongoing to rationalise the timescale for the Primary Demolition Programme, with a view to having the majority, if not all, of the demolitions complete within a 3-year period commencing April 2021.
- (d) The first projects under the Framework will be awarded in April 2021.

## 10. SLEMS Area (60-acre site)

- (a) Work continues in assessing our options on soil treatment methodologies to address the environmental liability that is the 1.0M tonnes of BOS oxide stored on the SLEMS site.

## 11. Net Zero Teesside Site

- (a) Dialogue with the NZT team continues.
- (b) Phase 1 of the site preparation and ground remediation works are currently scheduled to start in November 2021.

## 12. Hydrogen Rail Project

- (a) We are continuing our consultations with Northern Trains Ltd (NTL) on the potential for realising this project on Teesworks.

## 13. Materials Handling – Sirius Material Supply Agreement

- (a) The Material Supply Agreement with Sirius (York Potash Limited) has now been signed.
- (b) Deliveries of the Redcar Mudstone material from the tunnel boring operations commenced on 05-Jan-21.

## 14. Ground Investigations

- (a) The following ground investigations are ongoing:
  - South Bank Quay
- (b) The following ground investigations are planned over the coming two months:
  - South Bank Hinterland Phase 2 area (Tarmac site).

## 15. Redcar Gate Entrance Improvements

- (a) Construction progress: 75% complete.
- (b) Programmed completion (revised): 12-Feb-21.

## FINANCIAL IMPLICATIONS

- 15. The financial implications of programme activity are captured in the STDC Delivery Group meetings throughout the year. The Group received regular financial updates linked to programme milestones and a procurement pipeline has been produced to integrate with the programme plan. This will ensure spending profiles are monitored and key critical expenditure path items are identified.

## LEGAL IMPLICATIONS

16. Whilst matters with legal implications are discussed in this report, this update report has no specific legal implications

## RISK ASSESSMENT

17. Specific identified areas of risk are highlighted following each section of the detailed report. These risks will be discussed at the next STDC SMT meeting to ensure additions/ updates are made to the appropriate risk registers.

## CONSULTATION & COMMUNICATION

18. This paper has been prepared directly from separate reports prepared by the Senior Management team of STDC. As the purpose of this report is to provide updates/ information no further consultation has been undertaken/ is necessary.

## EQUALITY & DIVERSITY

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

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## AGENDA ITEM 7

### REPORT TO THE STDC BOARD

27<sup>th</sup> JANUARY 2021

### REPORT OF THE GROUP CHIEF EXECUTIVE

## GOVERNANCE AND APPOINTMENTS

### SUMMARY

This report summarises changes to membership of STDC committees which have taken place since the previous Board meeting.

### RECOMMENDATIONS

It is recommended that the Board agrees the appointments as set out in this report.

### DETAIL

#### STDC Board

1. Following the acquisition of the SSI land and completion of the land assembly on the site, South Tees Development Corporation (STDC) has moved into the development phase and as a result, the speed of progress is increasing significantly.
2. To ensure appropriate Board continuity and governance is in place in this phase, TVCA Cabinet have agreed to extend the terms of the existing STDC Board members for three years.
3. It was also agreed to appoint the deputy leader of both Middlesbrough Council and Redcar & Cleveland Borough Council to the Board to attend and vote in the absence of their leader.
4. This will ensure that quoracy issues can be managed if either leader is unable to attend an STDC Board meeting.

#### Group Audit & Risk Committee

5. The Vice Chair for this committee, John Baker, was agreed by Board at the last meeting on 25<sup>th</sup> November 2020.

6. ToR for the Committee (**Appendix 1**) have been amended to reflect that the VC is to be appointed from the nominated members. Previous ToR stated that the VC must be a Non-Executive Director of the Board.

## **FINANCIAL IMPLICATIONS**

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

## **LEGAL IMPLICATIONS**

8. The report relates to the Constitution of STDC which sets out the appropriate statutory framework.

## **RISK ASSESSMENT**

9. 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**

10. Appropriate Consultation has taken place for these appointments. The Mayor has also been consulted on these proposals.

## **EQUALITY & DIVERSITY**

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

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DATED: 6<sup>TH</sup> JANUARY

2021

SOUTH TEES DEVELOPMENT CORPORATION

GROUP AUDIT & RISK COMMITTEE  
TERMS OF REFERENCE

Version Control			
Issue No	Version	Date	Approved for issue
01	Draft	14-02-18	21-02-18
02	Updated draft	15-02-19	24-07-19
03	Updated draft	26-08-20	30-09-20
04	Updated draft	06-01-21	

## SOUTH TEES DEVELOPMENT CORPORATION (STDC)

("Organisation")

### GROUP AUDIT & RISK COMMITTEE TERMS OF REFERENCE

#### 1. INTRODUCTION

- 1.1 The primary purpose of the Group A&R Committee is to assist the STDC Group Board in fulfilling its oversight responsibilities in matters concerning risk. The Committee does not just provide oversight over the Organisation's financial affairs; it also considers matters of governance and probity. It is a key component of STDC's corporate governance arrangements providing independent assurance of the adequacy of the risk management framework and the internal control environment. It provides independent review of governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
- 1.2 In performing its duties, the Group A&R Committee will maintain effective working relationships with the Board, the Organisation's management, the Official Receiver and various professionals (including external and internal auditors, legal, financial and risk professionals).
- 1.3 To perform his or her role effectively, each member of the Group A&R Committee must be familiar with these terms of reference as well as the Organisation's business operations and risks.

#### 2. MEMBERSHIP

- 2.1 The Group A&R Committee shall, as a minimum, comprise at least five members, which shall include:
  - 2.1.1 the Independent Chair;
  - 2.1.2 any 3 other nominated members; and
  - 2.1.3 a representative of the TVCA Audit & Governance Committee.
- 2.2 Additional members of the Group A&R Committee shall be appointed by the Board. The decision of the Board to appoint a new member must include a vote in favour of such appointment by the Board.
- 2.3 Only members of the Group A&R Committee have the right to attend Group A&R Committee meetings. However, other individuals (such as the chairperson of the Board, other Directors, heads of risk and compliance) may be invited to attend all or part of any meeting, as and when appropriate and necessary.
- 2.4 Subject always to the requirements set out in paragraph 2.1, initial appointments to the Group A&R Committee are made by the Board and shall be for such period as the Board shall determine.
- 2.5 The Board shall appoint a deputy chairperson from the nominated members who will chair the

meetings in the absence of the Chairperson.

- 2.6 The Group A&R Committee may require the attendance of external professionals, (including, without limitation, Auditors, risk professionals, legal and financial advisors and surveyors) and/or any employee of the STDC at any of its meetings (upon prior written notice) and may require the disclosure of any information relating to the STDC to such professionals. Where reasonable, the Group A&R Committee may obtain legal or other professional advice at the cost of the STDC on terms of any matter within these terms of reference.

3. SECRETARY

- 3.1 The secretary shall be appointed from the Governance Team of TVCA

4. QUORUM

- 4.1 The quorum necessary for the transaction of business shall be not less than three members, one of whom must be the Chair or deputy. A duly convened meeting of the Group A&R Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Group A&R Committee.

5. FREQUENCY OF MEETINGS

- 5.1 The Group A&R Committee shall meet quarterly.

6. NOTICE OF MEETINGS

- 6.1 Meetings of the Group A&R Committee shall be called:

6.1.1 by any member of the Group A&R Committee;

6.1.2 at the request of external professionals if they consider necessary; or

6.1.3 by any member of the Board.

- 6.2 Unless otherwise agreed, notice of each meeting (confirming the venue, time and date, together with an agenda of items to be discussed) shall be forwarded to each member of the Group A&R Committee, any other person required to attend and all other relevant Directors no later than five working days before the date of the meeting. Supporting papers shall be sent to Group A&R Committee members and to other attendees, as appropriate, at the same time.

7. MINUTES OF MEETINGS

- 7.1 The secretary of the Group A&R Committee shall minute the proceedings and decisions of all Group A&R Committee meetings, including recording the names of those present and in attendance.

- 7.2 The secretary of the Group A&R Committee shall ascertain, at the beginning of each Group A&R Committee meeting, the existence of any conflicts of interest and minute them accordingly.

7.3 Draft minutes of Group A&R Committee meetings shall be approved by the Chairperson (or Deputy if the Chairperson was absent). Once approved, minutes should be circulated to all other members of the Group A&R Committee, unless a conflict of interest exists or it would otherwise be inappropriate to do so.

## 8. DUTIES

8.1 The Group A&R Committee shall carry out the duties below for STDC. Such duties may be varied by the Board from time to time:

- 8.1.1 To review and scrutinise STDC executive plans.
- 8.1.2 To review the STDC's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- 8.1.3 To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the STDC's framework of governance, risk management and control.
- 8.1.4 To consider the STDC's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- 8.1.5 To consider the STDC's framework of assurance and ensure that it adequately addresses the risks and priorities of the STDC.
- 8.1.6 To agree the risk management strategy and monitor the effective development and operation of risk management in the STDC Group.
- 8.1.7 To monitor progress in addressing risk-related issues reported to the committee.
- 8.1.8 To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 8.1.9 To review the assessment of fraud risks and potential harm to the Development Corporation from fraud and corruption.
- 8.1.10 To monitor the counter-fraud strategy, actions and resources.
- 8.1.11 To review the STDC Group Enterprise Risk Register to ensure residual risk is within the appetite for the STDC.
- 8.1.12 To recommend to the STDC Board anything it identifies as a significant risk under paragraph 28 of the STDC Constitution that in the view of the Committee gives rise to a Referral Decision.

### Internal audit

- 8.1.13 To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

- 8.1.14 To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- 8.1.15 To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- 8.1.16 To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- 8.1.17 To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
- a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
  - b) Regular reports on the results of the Quality Assurance and Improvement Programme.
  - c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
- 8.1.18 To consider the head of internal audit's annual report:
- a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit.
  - b) The opinion on the overall adequacy and effectiveness of the STDC's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the Annual Governance Statement.
- 8.1.19 To consider summaries of specific internal audit reports as requested.
- 8.1.20 To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the Corporation or there are concerns about progress with the implementation of agreed actions.
- 8.1.21 To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
- 8.1.22 To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.
- 8.1.23 To support the development of effective communication with the head of internal audit.

#### External audit

- 8.1.24 To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- 8.1.25 To consider specific reports as agreed with the external auditor.
- 8.1.26 To comment on the scope and depth of external audit work and to ensure it gives value for money.
- 8.1.27 To commission work from internal and external audit.
- 8.1.28 To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

#### Financial reporting

- 8.1.29 To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the STDC.
- 8.1.30 To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
- 8.1.31 To recommend approval of the annual accounts to the STDC Board.

#### Accountability arrangements

- 8.1.32 To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions.
- 8.1.33 To report to STDC Board on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

## Standards

- 8.1.34 To promote and maintain high standards of conduct by STDC members and co-opted members.
- 8.1.35 To ensure the STDC members and co-opted members observe the Members' Code of Conduct.
- 8.1.36 To advise the STDC Board on the adoption or revision of the Members' Code of Conduct.
- 8.1.37 To monitor complaints received by STDC in respect of Member conduct.
- 8.1.38 To conduct hearings following investigation and determine complaints made against members and co-opted members.
- 8.1.39 Where a member or co-opted member is found to have failed to comply with the Code of Conduct to take such action as may be necessary to promote and maintain high standards of conduct, in accordance with the powers available to the Committee.

## 9. GENERAL DUTIES

- 9.1 In carrying out their specific duties set out above, each member of the Group A&R Committee should also consider their general duties as a representative of STDC, including:
  - 9.1.1 the duty to act in the way he or she considers, in good faith, would be most likely to promote the success of STDC for the benefit of its members as a whole, having regard to all relevant factors;
  - 9.1.2 the duty to exercise independent judgment;
  - 9.1.3 the duty to exercise reasonable care, diligence and skill;
  - 9.1.4 the duty to avoid conflicts of interest; and
  - 9.1.5 the duty to act in accordance with the STDC's constitution and only exercise his or her powers for the purposes for which they were conferred.

## 10. REPORTING RESPONSIBILITIES

- 10.1 The chairperson of the Group A&R Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Group A&R Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

- 10.3 The Group A&R Committee shall, as a minimum, produce a report of its activities and the STDC's risk management and strategy.
- 10.4 The Directors' report in the annual report and accounts should set out risk management objectives and policies including in relation to financial instruments.
11. OTHER MATTERS
- 11.1 The Group A&R Committee shall have regard to the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook at all times when dealing with matters assigned to it.
- 11.2 The Group A&R Committee shall:
- 11.2.1 have access to sufficient resources in order to carry out its duties;
  - 11.2.2 where any member of the Group A&R Committee requests the same, ensure that appropriate and timely training is provided to members relative to their role as a member of the Group A&R Committee. This may take the form of an induction programme for new members and ongoing training for all members;
  - 11.2.3 give due consideration to laws and regulations, as appropriate;
  - 11.2.4 oversee any investigation of activities which are within its terms of reference; and
  - 11.2.5 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
12. AUTHORITY
- 12.1 The Group A&R Committee is authorised:
- 12.1.1 to seek any information it requires from any employee of STDC in order to perform its duties;
  - 12.1.2 to obtain, at STDC's expense, outside legal or other professional advice on any matter within its terms of reference; and
  - 12.1.3 to call any employee to be questioned at a meeting of the Group A&R Committee as and when required.

## REPORT OF GROUP DIRECTOR OF FINANCE AND RESOURCES

### FINANCE AND MEDIUM-TERM PLAN UPDATE

#### SUMMARY

The purpose of this paper is to provide a finance update to the Board and to review the STDC Group budget for 2020/21 and medium-term plan for the three-year period to 31 March 2023. The review is undertaken considering developments in the delivery programme and land acquisition activities since the last update provided to November Board.

The Medium term financial plan has been updated to reflect the proposed Quay development at South Bank Wharf, which was approved at the November meeting.

#### RECOMMENDATIONS

It is recommended that the STDC Board:

- i. Notes the finance update provided in this report
- ii. Endorses the updated medium-term plan for the three years to 31 March 2023,

#### FINANCIAL PERFORMANCE UPDATE – SEPTEMBER 2020 (EXCLUDING STSC)

1. The following update relates to the financial performance of STDC group to 30 November 2020. Variances are compared to the MTFP presented to Board in November

	Year to	Year to	Year to	original	
	Date	Date	Date	Year to	Year to
STDC	Actual	Plan	Var	Mar-21	Mar-21
Expenditure overview	£'000	£'000	£'000	£'000	£'000
Core operations and running costs	1,205	1,269	64	2,102	2,813
STDL site management costs	592	835	243	1,296	1,173
Enabling expenditure and projects	2,712	4,258	1,545	5,276	6,498
Capital works projects	7,074	9,225	2,151	21,005	29,965
Land purchase projects	15,135	15,000	(135)	11,000	18,390
Capital expenditure HV JV	-				1,550
<b>Gross expenditure</b>	<b>26,718</b>	<b>30,587</b>	<b>3,869</b>	<b>40,678</b>	<b>60,390</b>

2. Eight months into the year spend to date is £26.7m versus a phased target of £30.5m and an overall MTFP target spend of £60.3m. The original budget for the year was £40.6m
3. Overall spend to date represents 66% of the original budget t activity level (which aligns to government funding targets) and 44% of the MTFP target which assumed significant acceleration in the second half of the year creating an end- loaded budget.
4. Whilst there is a £3.8m variance reported against the phased delivery target to November, delivery leads have high confidence that delivery will exceed the original budget target and consequently ensuring funding targets are met whilst delivering a significant proportion of the MTFP target.
5. The £4.9m variance against phased targets comprises the following:
6. **Core operations and site management costs** – Combined expenditure is £0.3m behind the phase delivery profile. This reflects a real saving to date as headcount increases have tracked behind plans and repairs and maintenance costs on site are tracking behind budget. The associated revenue budgets can be carried forward to support future expenditure.
7. **Enabling expenditure and projects** –is tracking £1.5m behind the phased plan, the variance arises due to later than anticipated starts to a programme of bridge assessment across site and the establishment of a materials management facility on site to manage infill material (which will ultimately significantly reduce site materials costs). Both projects are now in delivery and spend is underway
8. **Capital projects** are tracking £2.1m behind the phased target and reported delivery of £7m represents 23% of the MTFP target (33% of the original budget target). It is important to note that targets were always end loaded as government funding under the business case was not released until period 7.
9. A high-level review of programmed/procured delivery has been undertaken to give assurance over the likely outturn position for the year compared to the MTFP targets. Outputs of the review are summarised below:

	Year to	Year to	Year to	Year to		
	Date	Date	Date	Mar-21		
	Actual	Budget	Var	MTFP		
Capital works projects	£'000	£'000	£'000	£'000	RAG	Notes
Prairie (Dorman point)	2,069	2,262	193	10,017		End loaded profile with maximal potential spend of £10.6m
South Bank	3,624	5,002	1,377	10,912		Core aspects, OSW enabling, Metals recovery, OWTF demolition and South bank site prep costs on track
HV Electrical infrastructure	233	482	248	1,120		Costs wil transfer to JV agreed in leio of investment £1,550k
Steel House	-	1,100	1,100	900		Some slippge expected outturn likely to be c £300k
Redcar (Including NZT)			-	1,033		Principally demolitionactivity on foundry and NZT masy see some slippage
Teardrop (Longacres)			-	985		Planing and GI completed dec with start feb - may be some slippage
Gatehouse/entrances			-	4,100		£2m of sepdn to be rephased into 2021/2 this is in line with ringfenced funding profile
Other	1,147	379	(768)	900		
	<b>7,074</b>	<b>9,225</b>	<b>2,151</b>	<b>29,967</b>		

10. Major areas of delivery at the Prairie and South Bank (which together account for c 72% of the MTFP target for the year are expected to outturn at or around expectations. Together works in these areas are expected to provide delivery of c £21m – equivalent to

the original delivery budget delivery for the year. These programmes of work should underpin funding claims to government.

11. HV electrical projects are expected to transfer to the Joint Venture partner at the end of the year, the projected delivery cost is likely to be replaced by an investment into the HV Joint venture entity. This revision has been reflected in the next iteration of the MTFP (See below)
12. Amber rated areas of delivery include steel house expenditure is likely to slip into 2021/22 with an anticipated outturn for the year of c £300k and slippage is also expected on activity added into the MTFP at teardrop and gatehouse with some spend moving into 2020/21
13. Gatehouses spend is expected to be £2.1m in the current year aligned to the first phase of activity with phase 2 now planned for 2021/22. This is in line with the agreed ring-fenced funding profile for this activity.( this revision has been reflected in the next iteration of the medium term financial plan ( see below)
14. A detailed financial review of project activity is currently underway leading to an updated outturn target for the next board meeting considering any impacts.

## SOUTH TEES SITE COMPANY

15. STSC performance is compared to the STDC group plan reflected in the business case to government and budget below: Performance reflects periods 7 and 8 only, being the period of STDC group ownership which aligns to entries in the group financial plan.

	STDC Plan		Var
	P7-8	P7-8	P7-8
	2021	2021	2021
STSC Expenditure	£'000	£'000	£'000
Keepsafe	2,381	2,369	(12)
"Tier3"	303	1,044	741
Invest to save	1,967	1,433	(534)
	<b>4,651</b>	<b>4,846</b>	<b>195</b>

16. Overall expenditure is marginally behind the levels anticipated in the STDC plan as at 30 November, due to phasing of activity in the Tier 3 and I2S projects.
  - **Keepsafe** – is tracking in line with expectations and reflects the costs of site management and security alongside the net impact of commercial resource sharing agreements and electricity distribution arrangements with tenants on site.
  - **Tier 3** – Budgets were originally set up by BEIS to act as a buffer to cover any unforeseen costs on site. Currently only a low level of expenditure is being reported in this category capturing ongoing management costs relating to an incident prior to transition.

- Invest to Save** – reflect the costs of contracted arrangements and management costs required to decontaminate assets on the former SSI site prior to demolition. Costs are tracking slightly ahead of the phased target at this point in the year due to timing of delivery. However the overall programme is expected to be delivered within the parameters anticipated in the STDC business case

## MEDIUM TERM PLAN REFRESH – THREE YEARS ENDED 31 MARCH 2023

17. Following approvals at the previous board Cycle the medium term financial plan has been updated to reflect the approval of the South Bank Wharf quay development and the progression to preferred bidder status on the proposed High Voltage infrastructure Joint Venture
18. The revised plan increases planned expenditure over the review period by £102m, driven principally by a proposed £135m investment in Quay infrastructure over the period. The overview position development is presented below:

	Year	Year	Year	2020-
	Mar-21	Mar-22	Mar-23	2023
	Forecast	Plan	Plan	Plan
January MTFP Update	£'000	£'000	£'000	£'000
Operations and running costs	2,843	4,853	5,686	13,381
STDL site management costs	1,173	1,147	1,181	3,501
STSC Keepsafe and decotaminatio	14,519	43,424	13,010	70,953
Enabling expenditure and projects	6,498	4,508	3,074	14,080
Capital projects	29,965	104,174	121,078	255,217
Land purchase costs	18,390	1,250	-	19,640
Capital investment - HV JV	1,550	1,550	1,550	4,650
<b>Net expenditure</b>	<b>74,939</b>	<b>160,905</b>	<b>145,579</b>	<b>381,423</b>
MHCLG operations funding	207	-	-	207
MHCLG Prairie Grant	10,017	1,340	-	11,357
TVCA ringfenced funding	253	-	-	253
TVCA site operations funding	7,874	2,226	-	10,100
TVCA other funding	33,226	60	-	33,286
BEIS redirected STSC funding	14,519	43,424	13,010	70,953
New Ask BEIS	2,308	2,576	8,809	13,694
New Ask MHCLG	4,435	35,475	-	39,910
Rentals and Quay income		1,025	6,811	7,836
MHCLG Site entrance funding	2,100	2,000	-	4,100
External borrowing/funding	0	72,779	116,949	189,728
	<b>74,939</b>	<b>160,905</b>	<b>145,579</b>	<b>381,424</b>
<b>Planned income</b>				
Prairie (Dorman Point)	-	24	24	48
Net Zero Teesside (Redcar)	-	1,001	1,231	2,232
Quay - Option B (South Bank)	-	-	5,556	5,556
	-	<b>1,025</b>	<b>6,811</b>	<b>7,836</b>

19. Movements in the plan since the November update are summarised below:

	November			January
	Plan		Change	Plan
2020- 2023	£'000		£'000	£'000
Operations and running costs	13,477		(96)	13,381
STDL site management costs	3,501		0	3,501
STSC Keepsafe and decotamination	70,953		-	70,953
Enabling expenditure and projects	14,060		20	14,080
Capital projects	152,863		102,354	255,217
Land purchase costs	19,640		-	19,640
Capital investment - HV JV	4,650		-	4,650
<b>Net expenditure</b>	<b>279,144</b>		<b>102,279</b>	<b>381,423</b>

20. **Operations and running costs** – changes to plan reflect a net adjustment to finance costs which have been adjusted to reflect increased borrowing for the Quay and also reflecting a lower planned interest rate based upon rates currently available through Th Public Works Loan Board which offsets the additional borrowings.

### Capital projects.

21. The £102m increase reflects an increase in gross expenditure of £135m over the period to accommodate investment in the quay alongside and a reduction in planned direct investment in the HV network of £28m over the review period (as it is anticipated that this activity will transfer to the Joint Venture partner).

22. An analysis of movements in capital projects is provided below:

	January update				Nov MTFP	
	Year	Year	Year	2020-	2020-	
	Mar-21	Mar-22	Mar-23	2023	2023	
	Forecast	Forecast	Forecast	Plan	Plan	Change
Capital projects	£'000	£'000	£'000	£'000	£'000	£'000
Prairie (Dorman point)	10,927	9,890	3,150	23,967	23,057	910
South Bank (Enabling of offshore wind development)	11,601	8,163	2,500	22,264	21,575	689
Quay - Option B (South Bank)	1,700	53,839	79,330	134,870	-	134,870
HV Electrical infrastructure	180	1,945	4,588	6,713	34,418	(27,705)
Steel House	900	750	-	1,650	1,650	-
Redcar (Including NZT)	1,033	9,724	6,420	17,177	17,177	-
Teardrop (Longacres)	985	7,641	8,159	16,785	16,785	-
Gatehouse/entrances	2,100	3,000	-	5,100	4,100	1,000
Other	540	9,221	16,931	26,692	34,101	(7,409)
	<b>29,965</b>	<b>104,174</b>	<b>121,078</b>	<b>255,217</b>	<b>152,863</b>	<b>102,354</b>

- **Quay investment** - £135m of a total of £161m total investment in the quay is included in the Medium-term plan to 2023, the remaining £26m of expenditure is expected to be completed in the 2023/4 financial year.

- **HV Works** – Gross investment in HV works is assumed to reduce by £27.6m across the review period as customer funded connections and facilitation works are expected to transfer into the High Voltage joint venture partner.
- **Other Capital projects** – Planned activity on other capital projects has been reduced to reflect the increased emphasis on quay delivery in this iteration of the plan

## **Funding considerations**

23. Adjustments made to the plan increase the total borrowing requirement over the MTFP period from £65m to £190m. The £125m increase follows the inclusion of quay expenditure in modelling.
24. Analysis has been undertaken in support of the quay investment and it is envisaged that these incremental borrowings will be funded using the forward revenues from the quay as security (commencing from 2022/3)
25. However, we estimate that (following allocation of some existing planned activity into the quay scheme) there is a general borrowing requirement outside of the Quay of c £54m which will need to be supported by commercial activity either through lease income or capitalisation.
26. Accordingly, the pace of the programme is inherently linked to the group's success in securing commercial deals and this is a key sensitivity which will be considered in the forthcoming budget cycle for 2021/22.

## **BUSINESS CASE REPORTING AND MONITORING**

27. The STDC group had its first performance monitoring meeting with representatives from BEIS during December 2020. Following the meeting the second tranche of advance funding for the programme of £8.2m was approved and released in line with the parameters set in STDC's original business case.

## **FINANCIAL IMPLICATIONS**

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

## **LEGAL IMPLICATIONS**

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

## **RISK ASSESSMENT**

30. The key risks associated with the delivery of the revised plan is failure to deliver in line with programme / a material shift (forward or backward) in programme delivery phasing. Should key planning assumptions fail to materialise. STDC would consider any changes necessary to the delivery programme and forecast forward accordingly
31. By developing a "maximum case" which requires external funding there is a risk that delivery may fall behind planned levels, particularly if commercial activity does not allow

timely securitisation of income. However, in this circumstance some planned activity can be deferred whilst ensuring STDC achieves targets set in relation to its government and external income funding streams.

## **CONSULTATION & COMMUNICATION**

32. Plans have been developed in consultation with the senior management team of STDC who have provided detailed input based on the developing programme of delivery activity.

## **EQUALITY & DIVERSITY**

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

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## **REPORT OF THE TEESWORKS HERITAGE TASKFORCE**

### **TEESWORKS HERITAGE TASKFORCE RECOMMENDATIONS REPORT**

#### **SUMMARY**

This report presents the initial report and recommendations of the Teesworks Heritage Taskforce as to how best capture and celebrate the history of the former Redcar steelworks and the iron and steelmaking heritage in the region.

#### **RECOMMENDATIONS**

It is recommended that the Board approves Teesworks Heritage Taskforce recommendations as set out in this report.

1. that the Blast Furnace be dismantled
2. that a plan is put in place to identify and record what materials and artefacts of industrial architecture from the Blast Furnace should be salvaged to create one or more Blast Furnace memorials or displays on the Teesworks site and/or at other locations, but not at the current location of the Blast Furnace
3. that work on assessing the future of the Dorman Long coal bunker aka 'Dorman Long Tower' at South Bank as a potential retained built asset on the site be continued and following this further work, the Taskforce will make recommendation/s on this asset
4. that an assets recovery plan will be developed as soon as possible and put in place for the site to ensure that, as far as practicable, relevant and important artefacts are catalogued, archived appropriately and/or relocated to appropriate locations such as accredited archives and museums
5. that a clear strategic plan be developed with local communities which will be adopted by the Combined Authority to capture, record, recognise and share the cultural, economic and industrial heritage of the Teesworks site.
6. that the STDC/TVCA explore the development of workable partnerships with key regional and national bodies including Historic England, Arts Council England and others as may be relevant.
7. that the Taskforce continues in its current form to enable it to oversee the implementation of any actions that may be triggered as a result of any of these recommendations and report further as necessary

## **DETAIL**

1. The Teesworks Heritage Taskforce was established by Mayor Houchen in September 2020 to capture and celebrate the unique history of the former Redcar steelworks ahead of the site's commercial redevelopment.
2. The independent Taskforce is co-chaired by Redcar MP Jacob Young and Kate Willard OBE, who has a wealth of experience in heritage and arts. It includes experts such as John Baker, who worked on the site for more than 50 years, and Teesside steel historian Dr Tosh Warwick.
3. To help inform their work, a two-phase public consultation was carried out which allowed local people and groups to submit their memories, thoughts and ideas around honouring the heritage of the site.
4. A total of 199 individual submissions were received during the process, which included both the opportunity for the public to submit comments and for key stakeholders to meet members of the Taskforce for detailed interviews.
5. The Taskforce has now completed its deliberations, having consulted, reviewed documentation and listened to the widest possible range of stakeholders and views.
6. The principal recommendation of the initial report of the Teesworks Heritage Taskforce are that the blast furnace be dismantled. In addition to the consultation response the Teesworks Heritage Taskforce has been informed by an independent report carried out by Redcar blast furnace builders Primetals, which found the cost of keeping the blast furnace would be £35.4million over ten years and stop the creation of 827 jobs. Economic analysis from TVCA also found money spent on retaining the Blast Furnace and associated heritage support will not deliver sufficient financial return to allow investment in other parts of the Teesworks site and job creation, with the loss of up to £100million. The Teesworks Heritage Taskforce also had access to the South Tees Development Corporation: Dorman Long Tower Assessment Report prepared by Cleveland Bridge and dated 26 November 2020.
7. The full report can be found in Appendix 1 to this report.

## **LEGAL IMPLICATIONS**

8. Should the STDC Board agree these recommendations, they will be implemented in accordance with all relevant STDC policies and procedures.

## **RISK ASSESSMENT**

9. 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**

10. A two-phase consultation has taken place to engage the public and key stakeholders in drawing up these recommendations.

## **EQUALITY & DIVERSITY**

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

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## **Teesworks Heritage Taskforce**

### **Recommendations to the Tees Valley Mayor, Ben Houchen**

**January 2021**

#### **1. Background**

The Teesworks Heritage Taskforce was established by Mayor Houchen in September 2020 to capture and celebrate the unique history of the former Redcar steelworks.

The role of the Taskforce is to consult and explore ways to capture, record and recognise the cultural, economic and industrial heritage of the Teesworks site in Redcar which has been part of Teesside's long and rich iron and steelmaking heritage. In addition to this, the Taskforce was asked to consider and make recommendations to Mayor Houchen as to how this heritage can make a meaningful contribution to the delivery of jobs and sustainable economic growth in the Tees Valley.

The Taskforce is co-chaired by Redcar MP Jacob Young and Kate Willard OBE, who has a wealth of experience in heritage and arts. It is comprised of experts, including Tees steel industry veteran John Baker, Teesside steel historian Dr Tosh Warwick and a representative of Redcar and Cleveland Borough Council.

The Taskforce oversaw two main phases of consultation, both of which were broad based and encompassed representatives from the public, private and not-for-profit sectors along with local residents and stakeholders. The first phase consisted of an online form on the Teesworks website open to all members of the public to submit comments from 15 August 2020 to 10 November 2020, which was widely shared online. A second phase ran from 26 November 2020 to 9 December 2020 and was conducted by the Taskforce identifying a range of key stakeholders, a minority of whom were respondents to the first consultation as well, asking them to complete a detailed survey through the Survey Monkey platform. All Phase 2 consultees were given the opportunity to have a meeting with a member of the Taskforce, and detailed interviews were held with those who wished to take up this offer, which gave the Taskforce the opportunity to better understand their priorities and feedback. In summary, over 200 responses and engagements were received and held as part of this process.

The Taskforce has also had access to and reviewed written submissions and commissioned reports including:

- Redcar Blast Furnace: Key Considerations Summary - Summary of technical, financial and economic considerations around the retention of the Redcar Blast Furnace prepared for the Teesworks Heritage Taskforce by the Tees Valley Combined Authority, dated 23 October 2020.
- South Tees Development Corporation: Dorman Long Tower Assessment Report - prepared by Cleveland Bridge and dated 26 November 2020.
- Written submissions from consulted partners.

#### **2. Contextual Statement**

The Taskforce has kept at the forefront of its deliberations, the following sentiment that was prevalent across our conversations, consultations and submissions:

*“It is important to ensure that this rich and strong heritage helps forge a dynamic future for the site and for the communities who are central to all of its yesterday and all of its tomorrows”.*

The Taskforce is aware of the passion which is rightly felt by local people and communities whose lives are so intertwined with this site. It is committed to keeping dialogue going with all stakeholders, but in particular with these local people and communities. Importantly, the Taskforce will continue to listen to these voices as plans are developed.

### 3. Summary of Consultation Responses

More than 200 people have contributed to a total of 199 individual submissions over the two consultation phases. One third of respondents specifically express a view on the blast furnace, just over half calling for its demolition whilst the remainder call for its protection. The widest common support for a particular view is that there should be some form of lasting museum or extension of an existing museum, put forward by around a third of respondents, with different ideas about its detail. About one sixth of respondents expressly suggest that the Dorman Long tower be preserved, with very few expressly calling for its demolition. Others mention a range of smaller sites or items or express a general hope of some elements being preserved. Just over one eighth of respondents propose some form of documentary record project, such as an oral history project, and just over one tenth propose some form of memorial artwork.

In terms of general themes, it emerged increasingly clearly that underlying many responses was a fear **of loss of living memory and of knowledge, and of the risk of making the wrong choices**, and at the same time a **positive desire for the making of a better place**, retaining character and memory derived from its past and respectful of existing identities, but keenly **embracing future employment and economic opportunities**. Many consultees' responses expressly or implicitly emphasised that **local people and their stories** should be central to work on the site's heritage, and that it was essential **to show and be seen to show respect** to previous generations and to provide an ambitious and validating narrative about today's communities in the big picture of UK and global industrial and social development up to the present day.

### 4. The Recommendations

The Taskforce has now completed its deliberations, having consulted, reviewed documentation and listened to the widest possible range of stakeholders and views. We now make the following five recommendations to Mayor Houchen:

#### Recommendation One: Existing Structures

The Taskforce recommends that the Blast Furnace be dismantled. They further recommend that a plan is put in place to identify and record what materials and artefacts of industrial architecture from the Blast Furnace should be salvaged to create one or more Blast Furnace memorials or displays on the Teesworks site and/or at other locations, but not at the current location of the Blast Furnace.

Further, the Taskforce recommends that work on assessing the future of the Dorman Long coal bunker aka 'Dorman Long Tower' at South Bank as a potential retained built asset on the site be continued. The Taskforce requests that monies be allocated to it by the Combined Authority to continue work to assess the future potential uses of the Tower. The Taskforce is mindful that any potential future for the Tower would be subject to the analysis of related costs. Following this further work, the Taskforce will make recommendation/s to Mayor Houchen on this asset.

## **Recommendation Two: Assets & Artefacts of Significance**

That an assets recovery plan will be developed as soon as possible and put in place for the site to ensure that, as far as practicable, relevant and important artefacts are catalogued, archived appropriately and/or relocated to appropriate locations such as accredited archives and museums. This plan will also cover consideration of the longer history of the site but note that plans to develop the site and deliver jobs should not be impeded. Where necessary the plan will make it clear how the significance of an item/artefact will be ascertained utilising input from stakeholders and partners such as Historic England and the Local Planning Authority. The Taskforce notes that it will not be possible or appropriate to save all or everything and that informed and balanced judgements will need to be made. The use of 3/4d technology is also recommended as a way that structures, vistas and objects can be captured for future use.

## **Recommendation Three: Engaging Community & Education**

A clear strategic plan to be developed with local communities which will be adopted by the Combined Authority to capture, record, recognise and share the cultural, economic and industrial heritage of the Teesworks site. The Taskforce anticipates that this plan will include photography, oral history projects, work in schools and with local community groups, creative and artistic commissions and the production of a book.

It will be important for this work to be properly integrated with and enhance existing industrial heritage destinations and resources including the Steel Stories exhibition at Kirkleatham Museum, Teesside Archives' British Steel Collection and Cleveland Ironstone Mining Museum in Skinningrove, currently undergoing capital development. This also complements the vision that Kirkleatham Museum has to grow its industrial heritage collection, to increase the size and impact of the now permanent Steel Stories exhibition and its ambition for future capital development to increase the size of the museum and exhibition spaces.

## **Recommendation Four: Developing Partnerships**

That the DC/CA explore the development of workable partnerships with key regional and national bodies including Historic England, Arts Council England and others as may be relevant. Such partnerships and strategic relationships will embed this site, its history, culture and heritage in the national legacy and archive.

That Mayor Houchen write to the Rt Hon Oliver Dowden CBE MP, Secretary of State for Digital, Culture, Media and Sport to share with him the clear and responsible steps that are being taken to capture, record and recognise the cultural, economic and industrial heritage of the Teesworks site.

## **Recommendation Five: Future of the Taskforce**

The Taskforce understands that this work has only just started and that the implications of these recommendations, should they be accepted, are profound and long-lasting. The real journey is still ahead. They therefore propose that the Taskforce, who are all fully committed to continuing to work together, continues in its current form to enable it to oversee the implementation of any actions that may be triggered as a result of any of these recommendations.