

# SOUTH TEES DEVELOPMENT CORPORATION

## Constitution

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## Document Control

### Document Version Control

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## 1. Introduction

- 1.1 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.
- 1.2 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.
- 1.3 This Constitution initially took effect on 1 August 2017 – when new statutory arrangements were enacted - and has been amended a number of times subsequently, most recently on 13th September 2023. Prior to this the functions of the Corporation were led by a Shadow Board established by the Tees Valley Combined Authority (‘Combined Authority’) and Government Ministers in May 2016.

## 2. Objectives

- 2.1 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; and
  - (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.
- 2.2 In support of these core objectives, the Corporation will work collaboratively with the Tees

Valley Combined Authority ('the Combined Authority'), Redcar and Cleveland Borough Council, 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 affected by the closure of the steelworks), inward investment, transport, sustainable development, the natural environment, culture and tourism.

2.3 Arrangements for mutual co-operation and understanding will be set out between the Corporation, Combined Authority and Redcar and Cleveland Borough Council; addressing the objectives set out in paragraph 2.1 of this Constitution, and any other relevant matters.

2.4 To support the achievement of its core objectives, the Corporation has developed a Masterplan, which sets out how its objectives will be secured by the development of land and infrastructure within its area of responsibility.

### **3. Boundary**

The precise area covered by the Corporation (the "Site") is shown at Appendix A.

### **4. The Board**

#### **4.1 Membership of the Board**

4.1.1 There shall be a minimum of 6 and a maximum of 10 Voting Board Members in total, in addition to those members appointed as Associate Members.

4.1.2 Membership of the Corporation board shall comprise the following:

(a) Voting Board Members being:

i. the Tees Valley Mayor;

ii. the Leader of Redcar & Cleveland Borough Council; and

iii. other members (including Associate Members) as appointed by the Combined Authority Cabinet in accordance with Paragraph 4.2 of this Constitution.

(b) In addition to the above:

i. the Deputy Leader of Redcar & Cleveland Borough Council shall be appointed to the Board as a substitute Member for the Leader of Redcar & Cleveland Borough Council and may attend and vote in the absence of its Leader; and

ii. the Tees Valley Mayor may also appoint a substitute member to attend and vote in their absence, such appointment to be made in accordance with Paragraph 4.2 of this Constitution.

(c) Additional member(s) shall be appointed by the Combined Authority Cabinet in accordance with Paragraph 4.2 of this Constitution, who will provide advice and guidance to the Board ('Associate Board Member'). An Associate

Member has the right to participate fully in Board discussions and receive all papers (including confidential papers) but shall not have the right to vote.

- (d) In addition to those appointed at (a) above, the following shall be appointed as Associate Members:
  - i. the Group Chief Executive of the Combined Authority; and
  - ii. the Chief Executive of Redcar & Cleveland Borough Council.
- (e) The Chair, Vice-Chair and Board of the Corporation Board shall be appointed by the Combined Authority Cabinet in accordance with paragraph 10 of this Constitution.

#### **4.2 Appointment to the Development Corporation Board**

Save for those whose appointment is provided for in this Constitution:

- (a) Voting Board Members, Associate Board Members (who shall jointly be referred to in this Constitution as 'Board Members') the Chair and Vice Chair of the Board (who shall in this Constitution be collectively referred to as 'the Board') shall be appointed by the Combined Authority Cabinet, following a proposal put to it by the Tees Valley Mayor. For the avoidance of doubt, the Mayor may propose him/herself as Chair or Vice Chair.
- (b) the Board (and any additions to it) shall be proposed to the Combined Authority Cabinet, following an open and transparent process in accordance with best practice in public appointments and in accordance with this Paragraph 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. To that end, the Mayor and the Combined Authority must be satisfied that the Board has, at all times, the appropriate mix of skills and experience to carry out the Corporation's functions and deliver on the Corporation's objectives.
- (c) appointments to the Corporation Board shall be for a fixed period of no more than 4 years, to align with the Mayor's period of office.

#### **4.3 Resignation and Removal from the Corporation Board**

- (a) a Board Member may resign by serving notice on the Mayor.
- (b) 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.

- (c) the Chair and Vice 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.
- (d) the resignation or removal of a Board Member shall be reported to the Combined Authority Cabinet as the next possible opportunity.

## **5. Decision Making and Quorum**

5.1 All decisions of the Corporation, unless otherwise delegated, shall be taken by Voting Board Members in accordance with the arrangements set out in this Constitution. The Voting Board Members 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.

5.2 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 Audit & Governance Committee or workstreams established by the Board.

5.3 The quorum shall be one-third of the Voting Members in office, rounded up in the event of an uneven number.

5.4 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.

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

### **5.6 Referral Decisions**

5.6.1 The Board shall be responsible for identifying any decision or issue which may result in a significant risk of:

- i. a financial liability; or
- ii. a statutory liability; or
- iii. an environmental or criminal liability,

to the Combined Authority or to any or all of its Constituent Authorities (“a Referral Decision”).

- 5.6.2 The Corporation shall ensure that any Referral Decisions shall be referred to the Combined Authority Cabinet for agreement in advance of the Corporation taking a decision in respect of it, and before such liabilities arise, and prior to the implementation of any such decision.
- 5.6.3 The Statutory Officers shall advise the Board of any Referral Decision, 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. The Combined Authority will not unreasonably delay ratification.
- 5.6.4 The Statutory Officers shall ensure that where decisions are taken by any of STDC Group entities they comply with the decision-making requirements of 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.
- 5.6.5 Where the Development Corporation Audit & Governance Committee or the South Tees Site Company Board identifies a significant risk under this Paragraph 5.6 of a Referral Decision, it shall recommend to the Board that in their view this gives rise to a Referral Decision.
- 5.7 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).
- 5.8 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.

- 5.9 Officers working for the Corporation shall, in consultation with the Head of Finance and Resources, maintain a register of significant risks which may lead to or constitute a Referral Decision in accordance with Paragraph 5.6 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.
- 5.10 The Combined Authority has a Strategic Economic Plan which is 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.
- 5.11 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.

## **6. The Statutory Officers**

- 6.1 The Corporation shall appoint the Combined Authority's Group Chief Executive as Chief Executive for the Corporation who will have overall responsibility for the Corporation's operations and staff.
- 6.2 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. To ensure the financial integrity and independence of the two organisations, the interface between the financial responsibilities of the Combined Authority and the Corporation will be managed with two separate roles, namely, the Group Director of Finance and Resources (the Combined Authority) and Head of Finance and Resources (the Corporation).

- 6.3 For the avoidance of doubt, the Head of Finance and Resources for the Corporation shall act as lead advisor to the Corporation on financial matters. The Director of Finance shall retain the Statutory responsibilities of s73 Officer pursuant to Section 73 of the Local Government Act 1985.
- 6.4 In accordance with Section 7 of the Tees Valley Combined Authority (Functions) Order 2017, the Corporation shall appoint a Monitoring Officer to discharge the responsibilities in Section 5 of the Local Government and Housing Act 1989 (the 1989 Act) To ensure the independence of legal advice provided to the Corporation, the Head of Legal for the Corporation shall be the lead legal advisor for the Corporation with the Monitoring Officer retaining the Statutory responsibilities imposed upon them by the 1989 Act.

## **7. Powers of the Corporation**

- 7.1 Subject to Legislation, this Constitution and any other directions made to it 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.
- 7.2 The Corporation has a number of specific powers from the Localism Act 2011, as set out in this paragraph. All of the powers are subject to the overriding objectives set out in Paragraph 2 and other 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).

7.3 Redcar & Cleveland Borough Council shall continue to be the billing and collecting authority for non-domestic rates for existing operations. The Site has been designated as a Special Economic Area, with business rates at a level of 100%, and this has enabled arrangements to be put in place regarding the shares for the Council and TVCA.

## 8. Reporting

- 8.1 To ensure that the Combined Authority Cabinet has sufficient oversight into the activities of STDC, bi-annual reports by STDC to TVCA are proposed to include the following:
- (a) an annual report on the finances of the Corporation including its Medium Term Financial Plan (MTFP), borrowing position and future revenues, incorporating business rate assumptions;
  
  - (b) an annual report on activity and outputs to include an update on the business case outputs including job creation and Gross Value Added (GVA) as well as an update on progress on the site to date. This should include information on demolition activity,

remediation and development for proposed tenants.

- 8.2 The MTFP for the Corporation must be presented to the Combined Authority Cabinet annually. As part of the annual report on the MTFP, the Corporation will set out the level of Business Rates it anticipates from the site at that time and its requirements to service its debt and operations. Any surplus of Business Rates above this amount will be identified together with proposals for their use. These proposals will be for the Combined Authority Cabinet to approve for the benefit of the area of responsibility of the Corporation.
- 8.3 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 31<sup>st</sup> March. The Corporation will also be required to provide annual accounts of any companies it holds an interest in annually to the Combined Authority Cabinet. This annual report, with associated company accounts, shall form the basis for the Combined Authority to discharge its statutory duty<sup>1</sup> to keep the Corporation's existence under review, to provide guidance to the Corporation, and to assess its own financial risks relating to the Corporation.
- 8.4 The Corporation's officers (including the Head of Finance and Resources) 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.

## **9. Committees**

- 9.1 In addition to an Audit & Governance committee, the Corporation may establish workstreams of the Board.
- 9.2 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

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<sup>1</sup> Section 215, Localism Act 2011

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

## **10. Audit and Governance Committee**

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

10.2 Members appointed by the Combined Authority's Audit and Governance Committee shall each nominate a Substitute Member with the Authority to act in their place on the Corporation's Audit and Governance Committee.

## **11. South Tees Site Company Limited (STSC)**

The primary purpose of the STSC is to assist the Corporation Board to deliver the key objectives of the Corporation as defined in Paragraph 2 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 of STSC.

## **12. Delegations**

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

12.2 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.

12.3 The Corporation shall establish:

- i. A Scheme of Delegation to include appropriate financial limits;

- ii. Procurement Policy which accords with the Public Contract Regulations 2015 and, or the Procurement Act 2023;
- iii. Financial Procedure Rules including provision for setting an annual budget;
- iv. A Code of Conduct together with a register of interests;
- v. Provisions relating to the resolution of conflict of interests; and
- vi. Access to information procedure rules.

### **13. Amending the Constitution**

This Constitution is a living document and shall be amended as the Corporation progresses. Authority is delegated to the Monitoring Officer, in consultation with the Group Chief Executive, 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, following a proposal made to it by the Development Corporation.

## 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](http://www.teesvalley-ca.gov.uk/stdc)



## Appendix I

### 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 & Governance 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 Audit & Governance 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 its Audit and Governance Committee;
- (h) appoint the its Audit and Governance 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:
  - (k) deciding the number of members to be appointed to each workstream and their term of office;
  - (l) appoint the Chair and Vice-Chair of the Audit and Governance Committee, after considering any proposal put to them by the Committee.
- (m) appoint the Chair and Vice-Chair of the workstreams referred to in the preceding sub- paragraphs;
- (n) appoint to outside bodies;
- (o) agree the officer scheme of delegation;
- (p) consider amendments to the Development Corporation's procedure rules, as appropriate;
- (q) approve the Development Corporation's allowances scheme;
- (r) decide the date and time for the ordinary meetings of the Development Corporation Board;
- (s) 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 & 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 its Audit & 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 its Audit & Governance 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 Board 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 & Governance 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 Voting Board 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.

13.2 Officers shall comply with the provisions of the Development Corporation Code of Conduct for Officers and Statutory Officer Conflicts of Interest protocol (Appendix I) 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 & Governance 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 & 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.
- For the purposes of the Forward Plan, a "key decision" means a decision of a decision maker, which is likely to result in the Corporation or the Mayor incurring significant expenditure, or making significant savings, having regard to the Corporation's budget for the service or function to which the decision relates; or to be.

### **Publication of the Forward Plan**

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

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 Head of Finance and Resources and the Head of Legal, has the authority to take an urgent decision.
- 19.2 The Head of Legal will maintain a record of all 'urgent' decisions to enable the Monitoring Officer to submit a report on these decisions at least annually to the Development Corporation Board. 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 an 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 Head of Legal will maintain a record of all written records of decisions to enable the Monitoring Officer to 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 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 Head of Legal 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 Head of Legal 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. Members' Allowances**

27.1 The Development Corporation may pay travel and subsistence allowances to its Members in accordance with a scheme drawn up and approved by the Board.

27.2 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**

This Code of Conduct for Members and Officers is divided into 6 parts, as follows:

Part 1 – Members’ Code of Conduct – General Provisions

Part 2 – Members’ Interests

Part 3 – Disclosable Pecuniary Interests

Part 4 – Officers Code of Conduct and Protocol on Member/Officer Relations

Part 5 – Statutory Officer Conflict of Interest Protocol

Part 6 – Confidential Reporting Policy

## 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 & Governance Committee and any workstream established by the Board

“Member” includes the Mayor, Voting 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 the Equality Act 2010).
  - (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 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
- (b) the Development Corporation Head of Finance & Resources; the Development Corporation Monitoring Officer ; or
- (c) the Development Corporation Chief Operating 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

### Members 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 5 to 9 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.
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 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: -

- (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 3 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****Prescribed Description**

Employment, office, trade, profession or vocation

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

Securities

- (b) the tenant is a body in which the relevant person has a beneficial interest

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 (which for the purposes of this Code of Conduct shall include Voting Members and Associate 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.

## **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 (which for the avoidance of doubt shall include Voting Members and Associate 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

### Statutory Officer Conflict of Interest Protocol

#### Introduction and Purpose

1. The Chief Executive, Section 73 Officer and Monitoring Officer of the Tees Valley Combined Authority (the Combined Authority) hold mirror roles for the three Mayoral Development Corporations set up by the Combined Authority - Middlesbrough Development Corporation Hartlepool Development Corporation, South Tees Development Corporation.
2. The role of the *Chief Executive* for each of the organisations is to fulfil the responsibilities of Head of Paid Service, with overall responsibility for operations and staff.
3. The role of the *Section 73 Officer* for each of the organisations is to fulfil the Statutory requirements for financial management. The requirement to have this role is set out in Section 73 of the Local Government Act 1985
4. The role of the *Monitoring Officer* for each organisation is ensure legal compliance, providing advice on the Combined Authority's powers and duties, and guidance in relation to standards of conduct.
5. For the purposes of this Protocol, the term 'Statutory Officers' shall include the Chief Executive, Section 73 Officer and Monitoring Officer collectively.
6. In addition to their over-arching Statutory role, Statutory Officers provide advice and guidance to members of the Tees Valley Combined Authority Cabinet, Committees and Boards and the Mayoral Development Corporation Boards and Committees. The Statutory Officers also have decision making roles, in relation to Urgent Decisions and Delegated Decisions, as identified in the respective Constitutions for each entity.
7. There is a recognition that although separate public bodies, there may be times when the relationship between the organisations, and the roles of the Statutory Officers, risk coming into conflict.

8. It is of utmost importance that as a public body, the impartiality of Statutory Officers is respected. This Protocol considers what a conflict of interest is, the nature of a 'perceived conflict of interest' and an 'actual contract of interest' and how they should be managed by Statutory Officers.

### Conflicts of Interest

9. Statutory Officers must be mindful of the public's perception, and what a member of the public with knowledge of the relevant facts would reasonably regard as a conflict. Where it is a reasonable to expect that a member of the public, having regard to all of the facts, would believe that there is a *risk* of a conflict of interest, that is known as a 'perceived conflict of interest'.
10. In advising Cabinet, Boards or Committees or when acting in a decision-making capacity, it is the responsibility of each Statutory Officer to consider any perceived conflicts of interest and identify whether they amount to an actual conflict of interest. To that end, all Statutory Officers are bound by the Code of Conduct for Officers in the Constitutions of the Combined Authority and the Development Corporations.
11. This Protocol is in addition to other documents which manage conflicts of interest and for the avoidance of doubt, the provisions of relevant Constitutions and Codes of Conduct shall prevail should the terms of them ever conflict with this Protocol.

### Identifying and managing Conflicts of Interest

12. **Decision Making**
  - 12.1 **Establishing whether a conflict of interest exists**

It is the responsibility of the relevant Statutory Officers to:

- (a) assure themselves that they are free from conflict when making any decision; and
- (b) document that assurance to a degree which assures the relevant decision-making body, and the public, that they have given it due consideration.

## 12.2 **Recording the position with regard to conflicts**

When making an Urgent Decision, or confirming their position as a Consultee in respect of an Urgent Decision, or recording actions/decisions taken under a delegation, all Statutory Officers should, in the relevant decision making document:

- (a) clearly identify the role in which they are making the relevant decision; **and**
- (b) record whether or not, in their view, there is a perceived conflict of interest and their reasons for this conclusion; **and, where relevant**
- (c) the reasons why, in their view, the perceived conflict of interest does not amount to an actual conflict of interest, enabling the relevant decision to be made; **or**
- (d) where a Statutory Officer notes the existence of an actual conflict of interest, such that it means the Statutory Officer cannot make the relevant decision which results in the decision not being able to be made, that decision must be passed back to the relevant decision-making body for a decision.

12.3 The declarations made by Statutory Officers regarding conflicts of interest in their decision-making role, will form part of the relevant decision making document and unless exempt from publication, will be published.

## 13. **Providing Advice**

13.1 Statutory Officers provide advice to Cabinet, Boards and Committees by way of written advice in reports and/or oral advice in meetings.

13.2 In order to manage any perceived conflicts of interest, Statutory Officers should:

- (a) complete a conflict of interest statement in the relevant part of the Cabinet/Board/Committee Report; and/or
- (b) confirm at the commencement of a meeting where oral advice will be provided, the roles

the Statutory roles they hold for more than one organisation where a perceived conflict may arise.

## **Part 6**

### **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 Head of Legal.
- 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 Head of Legal.
- 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 Head of Legal
- 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 Head of Legal 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 Head of Legal about these matters.

## **8. RESPONSIBILITY FOR THE POLICY**

8.1 The responsibility for the effectiveness of this policy rests with the Head of Legal. 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 III**

### **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 and Head of Finance and Resources.

- 2.2 The Development Corporation has overall responsibility for ensuring that the Development Corporation's expenditure remains within the resources available to it.
- 2.3 The Development Corporation is responsible for approving the Financial Control Framework of the Development Corporation.

### 3. **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. The Group Director of Finance and Resources shall, in consultation with the Group Chief Executive Officer appoint a Head of Finance and Resources to manage the Corporations financial affairs whilst the Group Director of Finance and Resources maintains statutory finance officer oversight.
- 3.2 The Head 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 Head of Finance & Resources is responsible for reporting, where appropriate, breaches of Financial Regulations.
- 3.4 The Head 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 (i.e statutory responsibilities). To mitigate the risk of a conflicts of interest arising a Head of Finance and Resources role has been created. Where there is any ambiguity or issues between either the Group Director of Finance and Resources and Head of Finance and Resources roles, the statutory officer role will prevail, and they will direct the appropriate course of action for the purpose of resolving the conflict. All parties views will be recorded as part of this decision making process.

#### 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 Head 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 Head 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 Head 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 Head 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 Head 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 Head 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 Head 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 Head 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 Head 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 Head of Finance & Resources. Where appropriate, the Head 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 Head of Finance & Resources at the earliest opportunity.
- 7.9 The Head 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 Head of Finance & Resources, in consultation with the Development Corporation's

Board, taking into consideration the Corporations reporting requirements to TVCA.

- 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 Head 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 Head of Finance & Resources.
- 7.11 Bids for external funding to support capital and revenue expenditure cannot take place until approved by the Head 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 Head of Finance & Resources may enter into any borrowing, investment and financing arrangements on behalf of the Development Corporation in consultation with the Group Director of Finance and Resources.
- 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 Head of Finance & Resources.

- 8.5 The Head 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 Head 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 Head of Finance & Resources.

- 9.3 All arrangements for the ordering and issuing of cheques shall be agreed by the Head 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 Head 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 Head of Finance & Resources.

- 9.6 The Head of Finance & Resources will ensure that bank reconciliations are completed on at least a monthly basis.

10. **External Funding / Grants**

- 10.1 The Head 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 Head 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 Head 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 Head 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 Head of Finance & Resources.
- 11.5 Any write off of unrecoverable debt should be in accordance with the write of criteria set by the Head 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 Head 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 Head 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 Head 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 Head of Finance & Resources immediately of any circumstances which may suggest the possibility of irregularity or loss affecting the Development Corporation. Where the Group Head 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 IV

### 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 and Monitoring Officer of the Development Corporation are discharged by the Group Chief Executive Officer and Group Director of Finance and Resources and Monitoring Officer for TVCA respectively.

To mitigate the risk of a conflict of interest arising, Head of Finance & Resources and Head of Legal roles have been created. Where there is any ambiguity between the Group Director and Resources and Head of Finance and Resources Roles, or the Monitoring Officer or Head of Legal roles, the Statutory Officer roles will prevail, and it is those officers who will direct the appropriate course of action for the purpose of resolving the conflict.

All parties views will be recorded as part of the decision making process. In the event that this situation arises and to ensure the appropriate oversight, the Head of Finance & Resources and/or the Head of Legal may also make representation to the Chief Executive Officer for the Development Corporation, in order to resolve the conflict.

For the avoidance of doubt, in the event of the Head of Finance & Resources or Head of Legal roles being vacant for a given period of time, the delegations to those officers will revert to the Statutory Officers.

**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 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: -

- (a) Certification of copies of resolutions, minutes, other documents.

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 Corporation Chief Executive Officer or the Corporation

Director of Finance & Resources.

### 1.3 **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 Head of Finance and Resources will inform the Group Director of Finance and Resources of any 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. The Head of Finance and Resources will provide advice to Members on these matters and consult with the Group Director of Finance and Resources before any decision is made, or where a decision is made without the knowledge of the Head of Finance and resources, as soon as practicable after becoming aware of the matter.

### 1.4 **Chief Operating Officer**

The role of the Chief Operating Officer is commercially focused to lead on the complex regeneration of the South Tees Mayoral Development Corporation area. The Chief Operating Officer will develop, implement and deliver a comprehensive programme management approach that meets the current and future needs of the organisation. The 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.

## 1.5 **General**

All officers in whose name reports are submitted to the Development Corporation Board, the Audit & Governance Committee and any workstream established by the Board, shall submit such reports via the Head of Legal 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 Chief Operating Officer 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 & 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 & 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 Head 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.

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.

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 & 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 Head of Legal, the Head of Finance & Resources and the Chief Operating Officer
- 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

## **5. Delegations to the Group Director of Finance & Resources**

DoFR1 After consulting, so far as practicable with the Group Chief Executive Officer, the 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.

DoFR2 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)).

DoFR3 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. Head of Finance and Resources is responsible for providing the Group Director of Finance and Resources with all necessary information to inform this delegation.

DoFR4 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 Head of Finance & Resources**

HoFR1 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.

HoFR2 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 Head 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.

HoFR3 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.

HoFR5 To exercise the responsibilities assigned to the Head of Finance & Resources in the Development Corporation's financial arrangements and procedures and in its Procurement Policy.

HoFR6 To authorise any named Officer of the Development Corporation to exercise functions delegated to the Head of Finance & Resources, including the functions of a consultee in relation to the exercise of an Officer's delegated powers.

## **7. Delegations to the Chief Operating Officer**

COO1 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.

COO2 To authorise any named Officer of the Development Corporation to exercise functions delegated to the Chief Operating Officer, including the functions of a consultee in relation to the exercise of an Officer's delegated powers.

## **8. Delegations to the Monitoring Officer**

MO1 After consulting, so far as practicable, with the Group Chief Executive Officer, Group Director of Finance & Resources, and the 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.

MO2 The Monitoring Officer will undertake informal resolution of such complaints in accordance with the Development Corporation's adopted local arrangements.

MO3 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.

### **Supporting the Standards Regime**

MO4 To receive and acknowledge complaints of failure to comply with the Members' Code of Conduct under the Development Corporation's adopted local standards arrangements.

MO5 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.

MO6 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.

HL10 To authorise any named Officer of the Development Corporation to exercise functions delegated to the Head of Legal, including the functions of a consultee in relation to the exercise of an Officer's delegated powers.

## **9. Delegations to the Head of Legal**

- HL1 The Head of Legalis 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.
- HL2 Authentication of documents and the use of the corporate seal.
- HL3 To accept on behalf of the Development Corporation Board in-year changes to the membership of the Audit & Governance Committee and other workstreams established by the Board.
- HL4 To make minor changes to the Constitution and its associated documents in order to reflect organisational or legislative change when the power remains unaltered.
- HL5 To make any textual or grammatical corrections to the Constitution and its associated documents.
- HL6 Authentication of documents and the use of the corporate seal,.

## **10. Delegated Decisions – reporting requirements**

- 10.1 Delegated decisions shall be a standing item on the STDC Board Agenda and when delegations from Board are exercised these are reported to the next Board meeting and

published as part of the Agenda papers.

## Appendix V

### Attendance at Cabinet, Boards and Committees

1. We welcome public attendance at Cabinet, Board and Committee meetings. Please be mindful that these are not public meetings, they are meetings held in public.

### Exclusion of the Press and Public at Cabinet, Boards and Committees

2. In accordance with the provisions of the Local Government Act 1972, members of the press and public may be excluded from some meetings.
3. If confidential or exempt information is likely to be disclosed then a resolution will need to be taken to exclude the press and public from the meeting.
4. Confidential information means information given to the Combined Authority by a Government department on terms that forbid its public disclosure or information that cannot be publicly disclosed by reason of a Court Order.
5. Exempt information means information falling within the following categories:
  - (a) information relating to any individual;
  - (b) information which is likely to reveal the identity of any individual;
  - (c) information relating to the financial or business affairs of any particular person (including the authority holding that information);
  - (d) 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;
  - (e) information in respect of which a claim to legal professional privilege could be maintained in legal proceedings;

- (f) 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;
  - (g) information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
6. Information on the agenda will make clear whether any part of the meeting is likely to exclude the press and public. The Chair will advise at the meeting if there is a need to go into exempt session and if so will move a motion to exclude the press and public from that part of the meeting.

### **Seating for the Press and Public**

7. Members of the public will sit in the public gallery, which is available at the back of the meeting room. Seating in the public gallery is limited and you will be required to pre-register to attend. Please contact [tvagovernance@teesvalley-ca.gov.uk](mailto:tvagovernance@teesvalley-ca.gov.uk) if you wish to register to attend a particular Cabinet, Board or Committee meeting.

### **Accessibility**

8. If you are attending the meeting and require assistance to access the venue then please contact Governance Services in advance of the meeting [tvagovernance@teesvalley-ca.gov.uk](mailto:tvagovernance@teesvalley-ca.gov.uk)

### **Facilities**

9. Toilet facilities are available.

## **Etiquette of Attending Cabinet, Boards and Committees**

10. If a member of the public interrupts the meeting proceedings, the Chair will warn the person concerned. If the member of the public continues to interrupt, the Chair may order them to be removed from the meeting room.

### **At all times you must:**

- Observe instructions given to you by TVCA staff and security staff.
- Remain seated unless asked to stand by the Chair.
- Remain quiet and not talk to or distract other members of the public gallery.
- Turn off your mobile phone or switch it to silent mode.

### **Do not:**

- Attempt to address or interrupt Councillors or other representatives in attendance during the meeting.
- Wave any flags or banners or display any other signs and notices during the meeting.
- Record or photograph anyone else present in the public gallery.
- Record or photograph any members of staff.
- Eat, smoke or vape during the meeting.

Failure to adhere to the above rules may result in your removal from the meeting.

## Appendix VI

### Public Participation Protocol

1. These rules apply to all public meetings of Cabinet, Boards and Committees published on the Tees Valley Combined Authority (TVCA) website unless otherwise stated in this protocol.
2. The Monitoring Officer and the Governance and Scrutiny Manager will review this protocol annually to ensure it remains fit for purpose.

#### Participating at Cabinet, Boards and Committees

3. All meetings are open to the public except when exempt or confidential information is being discussed. Agendas and reports for meetings can be found on the TVCA website, at least five clear working days before the meeting.
4. You can also contact Governance Services by emailing [tvcagovernance@teesvalley-ca.gov.uk](mailto:tvcagovernance@teesvalley-ca.gov.uk) to find out when a meeting is taking place.

#### How do I do this and what are the rules?

5. Any member of the public living or working in the Tees Valley area, may submit questions for consideration at the meeting. Anyone wishing to do so must submit their questions at least three clear working days before the meeting takes place by providing their name and address. You can register by emailing [tvcagovernance@teesvalley-ca.gov.uk](mailto:tvcagovernance@teesvalley-ca.gov.uk)
6. Questions must pertain to an item on the published agenda for that meeting. If a member of the public has questions outside of this, they are free to ask them through the Freedom of Information Act.

Email addresses are as follows:

- Tees Valley Combined Authority (TVCA) –

[tvcafoi@teesvalley-ca.gov.uk](mailto:tvcafoi@teesvalley-ca.gov.uk);

- Hartlepool Development Corporation (HDC) –  
[hdcfoi@teesvalley-ca.gov.uk](mailto:hdcfoi@teesvalley-ca.gov.uk)
- Middlesbrough Development Corporation (MDC) –  
[mdcfoi@teesvalley-ca.gov.uk](mailto:mdcfoi@teesvalley-ca.gov.uk)
- South Tees Development Corporation (STDC) –  
[stdcfoi@teesvalley-ca.gov.uk](mailto:stdcfoi@teesvalley-ca.gov.uk)

7. At the discretion of the Chair, replies to questions may be given verbally. Written responses to all questions whether answered verbally or not, will be provided within 10 clear working days of the meeting and published on the TVCA website.

8. The Monitoring Officer may reject a question on the following basis:

- (a) matters which are not directly related to TVCA functions;
- (b) matters which do not directly relate to TVCA or the Tees Valley Region;
- (c) matters which are better addressed to a Constituent Council (or other relevant authority);
- (d) matters outside the remit of TVCA Cabinet, Boards and Committees;
- (e) matters which concern an individual's circumstances where it would be inappropriate for details to be made public;
- (f) any business or contractual matter considered to be under negotiation or otherwise commercially sensitive;
- (g) any matter that may require the disclosure of confidential or exempt information;
- (h) allegations against individual Members or Officers of TVCA, Cabinet, Boards and Committees or a Constituent Council (in these cases TVCA or relevant body's complaints or code of conduct procedures should be used); or
- (i) any defamatory, frivolous or offensive submissions.