SOUTH TEES DEVELOPMENT CORPORATION

South Tees Development Corporation Board Annual General Meeting

Date: 10 September 2026 at 11:00

Venue: Teesworks Skills Academy

Membership:

David Smith	Independent Member (Chair)
Councillor Alec Brown	Leader, Redcar and Cleveland Borough Council (Vice Chair)
Lyndsay Hogg	Independent Member
Jason Faulkner	Independent Member
Carolyn Curr	Independent Member
John Baker	Independent Member
Allan Armstrong	Independent Member

Associate Members:

John Barnes	Chief Executive STDC
Brian Archer	Chief Executive Redcar and Cleveland BC

AGENDA

1. **Apologies for Absence**
   To receive any apologies for absence.

2. **Declarations of Interest**
   To receive any declarations of interest.

3. **Minutes of Previous Meeting**
   To approve as a correct record the minutes of the meeting held on 30 July 2026.

4. **Chairs Update**
   To receive any announcements from the Chair.

5. **Governance & Appointments**
   To receive a report from Director of Legal & Governance (Monitoring Officer) detailing the constitution requirements for the Annual Meeting of the South Tees Development Corporation.

   - Organogram

SOUTH TEES
DEVELOPMENT
CORPORATION

Under Section 12a of the Local Government Act 1972, the Chair to seek agreement from the Committee to exclude members of the press and public.

- Pen Sketches

Appendix C is exempt and not for publication by virtue of paragraph 1 (information relating to any individual), paragraph 2 (information which may identify an individual) of Schedule 12 A of the Local Government Act 1972).

6. Date and Time of Next Meeting

10 September 2026 at 11:15

Members of the Public – Rights to Attend Meeting With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A(4), members of the public are entitled to attend this meeting and/or have access to the agenda papers. Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people, please contact: tvcagovernance@teesvalley-ca.gov.uk

SOUTH TEES
DEVELOPMENT
CORPORATION

SOUTH TEES DEVELOPMENT CORPORATION BOARD

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

Date: Thursday 30 July 2026 **Time:** 11:00

Venue: Teesworks Skills Academy

Attendees:		**Apologies:**
Members		
David Smith	Chair	Jason Faulkner, Mayoral Appointed Member
Carolyn Curr	Mayoral Appointed Member	Cllr Alec Brown, Leader RCBC and Vice Chair
John Baker	Mayoral Appointed Member	
Lyndsay Hogg	Mayoral Appointed Member	
Allan Armstrong	Mayoral Appointed Member	
Associate Members		
John Barnes	Chief Executive, South Tees Development Corporation	Brian Archer, Chief Executive, Redcar & Cleveland BC
Phil Winstanley	Director of Finance, Redcar & Cleveland Borough Council	
Officers / Others		
Alan Layton (via Teams)	Interim Deputy S73 Officer	
Victoria Pescod	Head of Legal, South Tees Development Corporation	
Jeanette McGarry (via Teams)	Interim Monitoring Officer	
Sarah Paxton	Financial Modelling Manager	
Elaine Braham	Governance Officer	

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
STDC 001/2026/27	**Apologies for Absence**	The Chair welcomed the Board, press and public and advised that members of the public were welcome to film the meeting. He advised that disruptive behaviour such as calling out would not be tolerated, the meeting would be adjourned and the individual or persons would be asked to leave. The Chair advised that public questions had been received, and in line with the Public Participation Protocol a response would be published on the TVCA website within 10 clear working days of the meeting. Apologies for absence were received from Jason Faulkner, Mayoral Appointed Member and Cllr Alec Brown, Leader, Redcar & Cleveland Borough Council.		
STDC 002/2026/27	**Declarations of Interest**	David Smith, Independent Chair, declared a non-pecuniary interest as a member of the Freeport Board. John Baker, Independent Member, declared a non-pecuniary interest as a member of South Tees Site Company Board (STSC).		
STDC 003/2026/27	**Minutes of Previous Meetings**	**RESOLVED –** That the minutes of the meeting held on 30 March 2026 were approved as a true and accurate record subject to some minor amendments. A member advised that they had not received the list of transport projects, but noted it was to be covered on the agenda. The Chief Executive (CEX) South Tees Development Corporation (STDC) advised that it was the same list that had been previously circulated in September 2025. A member noted that they were excellent minutes.		
STDC 004/2026/27	**Chair's Update**	The Chair advised that he had nothing further to add, as all items would be covered as part of the agenda.		

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
STDC 005/2026/27	**CEX Update**	The Board received a report from the Chief Executive (CEX), South Tees Development Corporation (STDC), providing an activity update since the last meeting. It recommended that the STDC Board: i. **Note** the contents of the report. The CEX, STDC provided a brief update on key areas within the report. He advised that work in respect of the data centre sites remained commercially sensitive and a report would be brought to Board in due course. Financial risks were being managed and STDC were working closely with TVCA Finance colleagues on the financial framework in order to ensure sustainability. The Board had the opportunity to ask questions: • A member noted that British Steel's proposed Electric Arc Furnace development remained on hold, and asked if this were to receive the go ahead, would STDC be in a position to progress without too much delay, the CEX confirmed that they would be. • A member noted the droughts being declared throughout Britain and asked about water resilience and capacity on site to be able to supply the proposed data centres. The CEX explained that the data centres can sometimes operate on a closed loop system, similar to a home heating system, which reduces the water demand. Further, the site has a significant level of capacity from its days as a fully operational site. The Board had previously had sight of the Water Strategy, and if a tenant comes with a specific need it is for them to finance this. • A member asked who would be responsible for the ongoing maintenance of Steel House and the CEX explained that it had been stripped back to the point where there were effectively no assets to maintain. **RESOLVED:** the Board **noted** the content of the report.		
STDC 006/2026/27	**Governance & Appointments**	The Board received a report from the Head of Legal.		

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
		It recommended that the STDC Board: i. **<u>Note</u>** the appointments made by the TVCA Audit & Governance Committee on 30 June 2026 to the STDC Audit & Governance Committee. ii. **<u>Note</u>** the extension of the Board members' term of office. iii. **<u>Note</u>** a member's decision not to continue. The Head of Legal, STDC, noted the appointment of Cllr Peter Grogan to the STDC Audit & Governance Committee, Cllr Grogan had been a member of this committee since 2024. They advised that the review being undertaken by the Tees Valley Mayor in respect of Hartlepool and Middlesbrough Development Corporations was ongoing, and that the membership of all three Development Corporation Boards would be undertaken once this was complete. It was noted that one member had chosen not to continue past the end of their term, and those that had remained were thanked for confirming their willingness to continue whilst the review was ongoing. The Board had the opportunity to ask questions and none were asked. **RESOLVED:** the Board i. **<u>Noted</u>** the appointments made by the TVCA Audit & Governance Committee on 30 June 2026 to the STDC Audit & Governance Committee. ii. **<u>Noted</u>** the extension of the Board members term of office. iii. **<u>Noted</u>** a members decision not to continue.		
STDC 007/2026/27	**Q4 Draft Revenue and Capital Outturn Report 2025/2026**	The Board received a paper from the Interim Deputy S73 Officer, providing details of the 2025/2026 revenue and capital forecast outturn position for STDC against the approved budget for the year as at 31 March 2026. It recommended that the STDC Board:		

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
		i. **Note** the STDC draft revenue outturn deficit of £1.499m for year ending 31 March 2026 which is a negative movement of £1.994m from revenue budget to be funded from reserves; i. **Note** the 2025/2026 draft capital outturn of £32.123m representing an underspend of £9.985m against the approved capital programme. ii. **Note** the financial performance of the Corporation's subsidiary companies STDL and STSC, as detailed in Appendix 1 and 2; iii. **Note** the reduced subsidiary capital contribution requirement of £0.543m compared to £6.807m assumed within the budget. The report set out the draft revenue and capital outturn position for STDC for 2025/26. The key revenue position was a draft deficit of £1.499m, which was an adverse movement of £1.994m against budget which would be funded from reserves. The main pressure was borrowing costs, with interest payable of £11.5m against a budget of £4.4m. This had been partly offset by stronger income, in particular business rates income of £9.9m, which was £5m above budget, together with additional works agreement income and scrap sales. On capital, the draft outturn was £32.1m against the approved programme of £42.1m, giving an underspend of £9.985m. This mainly reflected reprofiling of Site Preparation and Infrastructure expenditure into future years, rather than schemes being removed. The subsidiary position was better than budgeted overall. STDL had delivered a £2.1m surplus, meaning the planned £6.4m contribution was not required. STSC requires a contribution of £0.543m, giving a reduced overall subsidiary contribution requirement compared with the £6.8m assumed in the budget. In summary, while borrowing costs remain a significant pressure, the Corporation has maintained a stable financial position through stronger income generation and expenditure control. The key assurance for Board was that the reported deficit could be met from available revenue reserves and that the position continued to be actively managed.		

<table>
<tr><th>No.</th><th>Agenda Item</th><th>Summary of Discussion</th><th>Actions Required</th><th>Responsibility</th></tr>
<tr><td></td><td></td><td>The Board had the opportunity to ask questions:

• A member asked if there would be revenue implications. The CEX advised that they were not expecting any, with monies being reprofiled out.
• A member noted that a decision from the Valuation Office remained outstanding and asked if STDC remained confident that the £9.9m projection was prudent. The CEX advised that STDC continued to work with external advisers and Redcar & Cleveland Borough Council (RCBC). The £9.9m was based on the estimated figure provided by the Valuation Office, and STDC felt they had been as prudent as possible.
• A member asked if SeAH had paid any monies. The CEX explained that STDC receives their rate monies via RCBC, with the Finance Director, RCBC reporting that RCBC are receiving estimated payments from Government in relation to their element.

RESOLVED: the Board

i. <u>Noted</u> the STDC draft revenue outturn deficit of £1.499m for year ending 31 March 2026 which is a negative movement of £1.994m from revenue budget to be funded from reserves;
ii. <u>Noted</u> the 2025/2026 draft capital outturn of £32.123m representing an underspend of £9.985m against the approved capital programme;
iii. <u>Noted</u> the financial performance of the Corporation’s subsidiary companies STDL and STSC, as detailed in Appendix 1 and 2;
iv. <u>Noted</u> the reduced subsidiary capital contribution requirement of £0.543m compared to £6.807m assumed within the budget.</td><td></td><td></td></tr>
<tr><td colspan="5"></td></tr>
<tr><td>STDC 008/2026/27</td><td>Treasury Management Strategy Outturn Report 2025/2026</td><td>The Board received a report from the Interim Deputy S73 Officer presenting the STDC performance against the treasury management and prudential indicators set in the Treasury Management Strategy 2025/2026, approved by STDC on 10 June 2025.

It recommended that the STDC Board:

i. <u>Note</u> the Treasury Management Outturn report;
ii. <u>Note</u> compliance with the Treasury Management and Prudential Indicators.</td><td></td><td></td></tr>
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<tr><th>No.</th><th>Agenda Item</th><th>Summary of Discussion</th><th>Actions Required</th><th>Responsibility</th></tr>
<tr><td></td><td></td><td>The Interim Deputy S73 Officer summarised the key points. STDC had complied with the set prudential indicators, borrowing was within the limits set by the Board, and there had been no breaches of the investment limits set. A public report in respect of the loans was to be presented to TVCA Cabinet on 31 July 2026, putting a framework around them, and demonstrating STDC’s ability to pay.

Cash sitting in the overnight interest account was not classified as an investment, and the draft outturn reflected a borrowing requirement of £27.789m in year which was within the £350m loan capacity agreed by TVCA Cabinet.

The Board had the opportunity to ask questions and none were asked.

RESOLVED: the Board

i. <u>Noted</u> the Treasury Management Outturn report;
ii. <u>Noted</u> compliance with the Treasury Management and Prudential Indicators.</td><td></td><td></td></tr>
<tr><td colspan="5"></td></tr>
<tr><td>STDC 009/2026/27</td><td>Teesworks Limited Accounts 2024-2025</td><td>The Board received a report from the Interim Deputy S73 Officer presenting the latest Teesworks Limited Accounts for the financial year ending 31 March 2025. STDC is a 10% shareholder in Teesworks Limited.

It recommended that the STDC Board:

i. <u>Note</u> the latest Teesworks Limited Accounts.

The CEX advised that these were publicly available accounts which were being brought to Board as STDC are a 10% shareholder within the company. Teesworks is financially sound and the accounts were to note.

The Board had the opportunity to ask questions:

• A member asked if the accounts aligned with expectations, and the CEX confirmed that they did.</td><td></td><td></td></tr>
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No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
		• A member asked if STDC had received their share of the dividend. The CEX advised that there is no dividend accounted for in the STDC accounts due to the terms of the agreement and the way in which the arrangements had been established **RESOLVED**: the Board **noted** the latest Teesworks Limited Accounts.		
STDC 010/2026/27	**Information Governance Report**	The Board received a report from the Head of Legal, STDC updating on a number of regulatory matters for the South Tees Development Corporation (STDC). It recommended that the STDC Board: i. **Notes** the content of the report. The Interim Monitoring Officer took the Board through the figures detailed in the report. The Board had the opportunity to ask questions and none were asked. **RESOLVED:** the Board **noted** the content of the report.		
STDC 011/2026/27	**Delegated and Urgent Decisions**	The Board received a report from the Head of Legal, STDC, providing details of all Urgent and Delegated Decisions taken since the last Board meeting. It recommended that the STDC Board: i. **Notes** the exercise of an Urgent Decision in respect of the publication of the Draft Annual Governance Statement; ii. **Notes** that no Delegated Decisions had been taken since the last Board meeting. The Head of Legal, STDC, explained the need to publish the draft Annual Governance Statement alongside the accounts on 30 June 2026. As the STDC Audit & Governance committee was not scheduled to meet prior to the publication date, a decision was taken to exercise an urgent decision to seek the opinions of the committee. The committee will have a further opportunity to provide comment at		

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
		their meeting on 12 August 2026, after which the Annual Governance Statement (AGS) will form part of Ernst & Young, External Auditors work with the final draft being brought to Board for sign off. The Board had the opportunity to ask questions: • A member asked if the committee had provided comments. The Head of Legal confirmed that they had and that these had been considered prior to publication. The committee would have a further opportunity to provide comment. **RESOLVED**: the Board **noted** the content of the report.		
STDC 012/2026/27	**Teesworks Integrated Transport Improvement Programme – Update on TVCA Grant Funding and STDC Delivery Role**	The Board received a report from the Chief Executive, STDC providing the Board with an update on the Teesworks Integrated Transport Improvement Programme and the associated programme-level transport funding held and governed by Tees Valley Combined Authority (TVCA). It recommended that the STDC Board: i. **Notes** that the programme-level transport funding referenced in previous STDC reporting is held by TVCA and remains subject to TVCA governance, assurance, business case approval and funding agreement processes; ii. **Notes** the potential for STDC to act as delivery body for a number of schemes which align to STDC's responsibilities and areas of operational expertise, subject to TVCA approval and the execution of appropriate grant funding agreements; iii. **Notes** the strategic importance of the potential schemes in supporting Teesworks, Teesside Freeport, clean energy investment, workforce accessibility, freight movement and wider economic growth. iv. **Notes** that any future acceptance of grant funding or delivery responsibility by STDC will be progressed only in accordance with the STDC Constitution, scheme of delegation, procurement requirements, subsidy control requirements and relevant TVCA funding conditions; v. **Notes** the acceptance of any grant funding is a S73 Officer decision and that, where grant funding agreements complete prior to the next scheduled Board meeting, the relevant decisions will be recorded and reported as delegated decisions.		

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
		The CEX reported that the aim of the report was to keep the Board properly sighted, and ensure transparency following recent incorrect press reporting. They noted that Board members were informally apprised of the schemes in September 2025 and the report sought to formally clarify delivery. The funding is not being transferred to STDC, STDC may be asked to act as delivery partners but this would be subject to TVCA's due diligence procedures. It was highlighted that some scheme arrangements may advance prior to the next scheduled Board meeting, and the acceptance of any grant funding would be the S73 Officers decision. If this were the case, this would be reported back to Board at the next available opportunity. The CEX hoped that this corrected any earlier misconceptions, and advised that STDC would only take on the role subject to proper governance, finance and legal guidance. The Board had the opportunity to ask questions: • The Chair felt that the report provided the Board with greater clarity. **RESOLVED**: the Board i. <u>**Noted**</u> that the programme-level transport funding reference in previous STDC reporting is held by TVCA and remains subject to TVCA governance, assurance, business case approval and funding agreement processes; ii. <u>**Noted**</u> the potential for STDC to act as delivery body for a number of schemes which align to STDC's responsibilities and areas of operational expertise, subject to TVCA approval and the execution of appropriate grant funding agreements; iii. <u>**Noted**</u> the strategic importance of the potential schemes in supporting Teesworks, Teesside Freeport, clean energy investment, workforce accessibility, freight movement and wider economic growth. iv. <u>**Noted**</u> that any future acceptance of grant funding or delivery responsibility by STDC will be progressed only in accordance with the STDC Constitution, scheme of delegation, procurement requirements, subsidy control requirements and relevant TVCA funding conditions;		

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
		v. **<u>Noted</u>** the acceptance of any grant funding is an S73 Officer decision and that, where grant funding agreements complete prior to the next scheduled Board meeting, the relevant decisions will be recorded and reported as delegated decisions.		
The following items are exempt from publication by virtue of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of schedule 12A of the Local Government Act 1972 **The Chair advised the Board that, should members wish to ask questions on the exempt items, approval to exclude members of the press and public would be sought.** **This was proposed by Lyndsay Hogg and was seconded by John Baker, that the press and public be excluded from the meeting for the exempt items. The press and public then left the meeting.**				
STDC 013/2026/27	**Environmental, Health and Safety (EHS) Management Report**	The Board received a report from the EHSS Director presenting an update on the key EHS activities in relation to works currently being undertaken on the Teesworks site. It was recommended that the STDC Board: i. **<u>Notes</u>** the content of the report. The CEX advised that they would take the report as read. The Board had the opportunity to ask questions and none were asked. **RESOLVED**: the Board **<u>noted</u>** the content of the report.		
STDC 014/2026/27	**Date and Time of Next Meeting**	10 September 2026 @ 11:00 It was noted that the date and time may be subject to change in order to align with reports going to TVCA Cabinet.		

Please note that the Minutes are prepared to provide an official record of business conducted at the relevant meeting for public record. They include key points of discussion but are not verbatim minutes of what occurred.

SOUTH TEES DEVELOPMENT CORPORATION

AGENDA ITEM 5

REPORT TO THE STDC BOARD

10 SEPTEMBER 2026

REPORT OF THE DIRECTOR OF LEGAL & GOVERNANCE (MONITORING OFFICER)

GOVERNANCE AND APPOINTMENTS

SUMMARY

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

Constitutionally, there are a number of items of business that the STDC Board are required to note, agree or approve as part of its Annual General Meeting, and these are set out within this report.

RECOMMENDATIONS

It is recommended that the STDC Board:

i. **Notes** that a full review of the Constitution will be undertaken and will be presented to the STDC Board in due course.
ii. **Reconfirms** the Officer Scheme of Delegation as detailed in the STDC Constitution at **Appendix 2**.
iii. **Notes** the Boards membership as set out in Paragraph 13;
iv. **Notes** the appointment by the Tees Valley Mayor of David Smith as Chair of South Tees Development Corporation Board;
v. **Appoints** one of its members as Vice Chair of the South Tees Development Corporation Board;
vi. **Notes** the position of the South Tees Development Corporation Audit & Governance Committee as set out in Paragraphs 18 - 23;
vii. **Notes** the appointment of the Chair of the South Tees Site Company Board;
viii. **Notes** the appointment to the Teesside Freeport Governance Board;
ix. **Notes** the Members Allowance Scheme is under review and a report will be presented to a future STDC Board meeting;
x. **Approves** and **Notes** the proposed dates for the ordinary meetings of STDC Board as detailed below at paragraph 33.

DETAIL

1. The South Tees Development Corporation (STDC) is a Mayoral Development Corporation, created by Statutory Instrument, pursuant to the provision of the Localism Act 2011. The Localism Act 2011 provides that the object of a Mayoral Development Corporation is to secure the regeneration of its area.

2. The STDC Constitution provides detail of the matters that should be considered at the Annual General Meeting of the STDC Board.

Constitution

3. The STDC Board is asked to **NOTE** that as part of the ongoing review of governance arrangements a full review of the STDC Constitution will be undertaken and it will be presented to the STDC Board in due course.

Officers Scheme of Delegation

4. The Board is asked to **RECONFIRM** the Scheme of Delegation as detailed in the STDC Constitution and a link is provided at **Appendix 2**.

Appointment and Remuneration of the Development Corporation Board Chair

5. The Localism Act 2011 ("the Act"), Schedule 21, provides the legal framework for the membership and remuneration for Mayoral Development Corporations. This legislation needs to be read in conjunction with the Tees Valley Combined Authority (Functions) Order 2017 ("the Order"), Schedule 1, which amends the wording of the Act.

6. The Act as amended by the Order states:

   a. A Mayoral development corporation ("MDC") is to consist of such number of members (being not less than six) as the Mayor of the Combined Authority may from time to time appoint.

   b. The Mayor must appoint at least one elected member from the Local Authority area the MDC sits in.

   c. The Mayor must appoint at least one of the members of the MDC to chair the MDC.

   d. When appointing a member of an MDC, including a Chair, regard should be given 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 MDC's functions, and must be satisfied that the person will have no financial or other interest likely to affect prejudicially the exercise of the person's functions as member.

e. The Mayor may require any person whom they propose to appoint as a member to provide information to ensure they do not have any prejudicial financial interest.

7. In respect of remuneration the Act as modified by the Order states:

   a. An MDC may pay remuneration, travelling expenses and other allowances and sums in respect of pensions and gratuities. Remuneration and/or pension payments cannot be made to any elected member of the Tees Valley area, unless they act as the chair in which case they can be remunerated for that role.

   b. The Combined Authority determines rates and eligibility criteria in respect of the above.

8. S.107D(2) Local Democracy, Economic Development and Construction Act 2009 and s5(1) states that the functions above conferred to the Combined Authority are general functions exercisable by the Mayor.

9. Therefore, the appointment of Board Members to the Development Corporation, the appoint of the Development Corporation Chair and the ability to determine rates and eligibility criteria for remuneration are functions that only the Mayor can exercise. The Mayor can exercise these functions personally or delegate them to the Deputy Mayor or an Officer of the Combined Authority.

<u>STDC Board</u>

10. Appointments to the Board are made in accordance with the Localism Act 2011 for a fixed term of no more than four years to align with the term of office of the Tees Valley Mayor.

11. The Localism Act 2011 provides that in appointing a person to be a member of a Mayoral Development Corporation, regard must be given 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 Development Corporation's functions and the member should not have any financial or other interest likely to affect prejudicially the exercise of the person's functions as a member.

12. The members identified below were initially appointed at the 2024 Combined Authority Cabinet Annual General Meeting to serve for a term of 2 years, ending in June 2026. Subsequently, interim appointments were extended pending Mayoral confirmation. The Mayor has now reconfirmed the membership set out below,

subject to confirmation from the individual members of their intention to continue serving.

The Board is asked to **NOTE** its membership as set out below:

South Tees Development Corporation Board	
Independent Chair	David Smith
Executive Member	Cllr Alec Brown, Leader of Redcar & Cleveland Borough Council
Independent Member	Allan Armstrong
Independent Member	John Baker
Independent Member	Carolyn Curr
Independent Member	Jason Faulkner
Independent Member	Lyndsay Hogg
Substitute for Leader of Redcar & Cleveland Borough Council	Cllr Carrie Richardson
Associate Member	STDC Chief Executive Officer- John Barnes
Associate Member	Managing Director, Redcar & Cleveland Borough Council – Brian Archer

STDC Board Chair

13. Following publication of new government guidance, 'Mayoral Development Corporations in combined authorities and combined county authorities: Guidance on legislation and scrutiny (updated 5 December 2025), the Tees Valley Mayor stepped down as Chair of the Mayoral Development Corporation (MDC) Board at the Combined Authority's AGM on 27 June 2025.

14. Following a formal recruitment process David Smith, was appointed to the position of Chair of the South Tees Development Corporation Board in June 2025.

15. The appointment is supported by a skills matrix produced by the Mayor, which sets out the relevant expertise and knowledge required to support the Mayor in setting and delivering the strategic ambitions.

16. The Chair is responsible for the proper running of the Development Corporation Board. Their role being to guide and influence the Corporation at a strategic level providing confident, clear and consistent leadership. The Chair will work closely with and support the Tees Valley Mayor and the STDC Chief Executive Officer, and

will both support and challenge the Board to lead and develop the MDC to ensure it delivers the vision for the area.

STDC Board Vice Chair

17. The Board are asked to **APPOINT** a Vice Chair of the STDC Board.

South Tees Development Corporation – Audit and Governance Committee

Appointments

18. The South Tees Development Corporation Constitution provides that the Corporation shall establish an Audit and Governance Committee.

19. The Combined Authority's Audit and Governance Committee is permitted to appoint one of its members to be a member of the Corporation's Audit and Governance Committee, as well as a substitute member. The other members of the Corporation's Audit and Governance Committee shall be appointed by this Board.

20. At its meeting on 30 July 2026, the STDC Board were asked to **NOTE** that TVCA Audit and Governance committee had appointed Cllr Peter Grogan as a member of the STDC Audit and Governance Committee, and Cllr Paul Salvin as a substitute member of the STDC Audit and Governance Committee.

21. In addition to the nomination from the Combined Authority Audit and Governance Committee, the Corporation's Audit and Governance Committee consists of a number of Independent Members. Independent Members are appointed by the Board following an open and transparent recruitment process.

22. The Board are asked to **APPROVE** the appointment of David Williams and Paula McMahon as Independent Members on the STDC Audit and Governance Committee. Pen Sketches can be found in the **Confidential** appendices at **Appendix 3**.

23. The Board is asked to **NOTE** the membership as set out below:

South Tees Development Corporation Audit and Governance Committee as at 10 September 2026
The Committee shall, as a minimum, comprise of at least five members, which shall include the Independent Chair; any 3 other nominated members; and the Committee Secretariate, who is a representative of the TVCA Audit and Governance Committee.

Geoff Westmoreland, Independent Member (Chair) Cllr Peter Grogan, TVCA Audit and Governance Committee, Member Cllr Paul Salvin, TVCA Audit and Governance Committee, Substitute Member Adam O'Neill, Independent Member David Little, Independent Member (subject to confirmation) Paula McMahon, Independent Member (subject to confirmation)

Chair of South Tees Development Corporation Audit and Governance Committee

24. The Tees Valley Mayor shall appoint, an independent member of the South Tees Development Corporation Audit & Governance Committee as Chair. Such appointment cannot be an Independent Member who also sits on the South Tees Development Corporation Board.

25. At its meeting on 26 September 2025 the Combined Authority Cabinet noted the Tees Valley Mayor's appointment of Geoff Westmoreland as Chair of the Corporations Audit and Governance Committee.

South Tees Site Company (STSC)

26. South Tees Site Company Limited is to assist the Board in delivering the key objectives of STDC. The Board must include a non-executive Chairperson, non-executive directors, STDC Chief Executive, such other executive directors whose appointment is made from time to time in accordance with the Articles of Association.

27. The Articles of Association of STSC require that the Sole Shareholder of the Company (South Tees Development Corporation) consents to the appointment of Directors.

Appointment of Chair

28. The STDC Constitution provides that the Tees Valley Mayor nominates, for Cabinet approval a non-executive Chair of the Board.

29. At the Combined Authority Cabinet AGM on 27 June 2025 the Cabinet approved the Tees Valley Mayor's proposal to appoint Cllr Alec Brown as the Chair of the South Tees Site Company Limited. Board are asked to **NOTE** the appointment.

Teesside Freeport Governance Board

30. The Tees Valley Combined Authority Constitution provides for the appointment of the Teesside Freeport Governance Board by Cabinet on the recommendation of the

Tees Valley Mayor.

31. Given the link between the STDC and the Teesside Freeport, the STDC Board at their AGM on 18 July 2024 were asked to nominate one of its members to be a representative on the Freeport Board. The Board are asked to **NOTE** that at that meeting the STDC Board nominated David Smith as their representative.

Members Allowances Scheme 2026-2027

32. The Combined Authority Cabinet AGM on 26 June 2026 were asked to **NOTE** that the scheme was under review and a report would be presented at a later date.

Date and Times for Board Meetings

33. 10 September 2026, 11:15–13:15
10 December 2026, 11:00-1:00
11 March 2026, 11:00-1:00
10 June 2026, 11:00-1:00

FINANCIAL IMPLICATIONS

34. As above, the Members Allowance Scheme is currently under review.

LEGAL IMPLICATIONS

35. The report relates to the Constitution of the South Tees Development Corporation which sets out the appropriate statutory framework. The Constitution came into effect on 1 August 2017 (Updated September 2025) and is legally binding.

36. The Localism Act 2011 ("the Act"), Schedule 21, provides the legal framework for the membership and remuneration for Mayoral Development Corporations. This legislation needs to be read in conjunction with the Tees Valley Combined Authority (Functions) Order 2017 ("the Order"), Schedule 1, which amends the wording of the Act.

37. The Act as amended by the Order states:

37.1. A Mayoral development corporation ("MDC") is to consist of such number of members (being not less than six) as the Mayor of the Combined Authority may from time to time appoint.

37.2. The Mayor must appoint at least one elected member from the Local Authority area the MDC sits in.

37.3. The Mayor, must appoint one of the Corporations members to Chair the MDC.

38. In respect of remuneration the Act as modified by the Order states as follows:

38.1. An MDC may pay remuneration, travelling expenses and other allowances, and sums in respect of pensions and gratuities. Remuneration and/or pension payments cannot be made to any elected member of the Tees Valley area, unless they act as chair in which case they can be remunerated for that role.

38.2. The Combined Authority determines rates and eligibility criteria in respect of the above.

39. S.107D(2) Local Democracy, Economic Development and Construction Act 2009 and S.5(1) states that the functions above conferred to the Combined Authority are general functions exercisable by the Mayor.

40. Therefore, the appointment of Board Members to the Development Corporation, the appointment of the Development Corporation Chair, and the ability to determine rates and eligibility criteria for remuneration are functions that only the Mayor can exercise. The Mayor can exercise these functions personally or delegate them to the Deputy Mayor or an Officer of the Combined Authority.

RISK ASSESSMENT

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

EQUALITY & DIVERSITY

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

APPENDICES

Appendix 1 – Organogram
Appendix 2 - The September 2025 constitution can be accessed here.
Appendix 3 – CONFIDENTIAL Pen Sketches

Name of Contact Officer: Andrew Perriman
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South Tees Development Corporation

Teesworks Ltd
STDC 10% | JV 90%

Steel River Energy Limited
Steel River Energy Limited (SREL) is a holding company
45% Martin Corney Capital Ltd | 45% JC Musgrave Capital Ltd | 10% STDC

Steel River Power Limited
SRPL 50% | ENW 50% | STDC has a 5% of SRPL through the shareholding in SREL

South Tees Site Company
STDC 100%

South Tees Site Company Employee Trust Limited
A company limited by guarantee and therefore does not have a shareholding. All equal guarantors STSC ET Ltd are TVCA, R&CBC and STSC

South Tees Developments Limited
STDC 100%

Teesworks Estate Management Company (TEMCo)
STDL 100%

Dormant Companies:

Teesworks Power (STDC Holdings) Ltd. 100% STDC

Teesworks Power (JVCO) Ltd. 100% Teesworks Power (STDC Holdings) Limited

Teesworks Port limited (10% STDC, 45% Northern Land Management Limited and 45% JC Musgrave Capital Limited)